

Supplement to N

RECORD OF Conservative Admini- stration since 1878.

RAPID INCREASE OF Debt and Expenditure.

CONTRACT SWINDLES, Great and Small.

MALADMINISTRATION And Disregard of PUBLIC INTERESTS

The record of the Conservative party during the past three years is one of extravagance and waste in nearly every Department of the Public Service. Contrary to all the pledges made to the electors in the campaign of 1878,—contrary to the professions of the leaders of the party on the floor of Parliament,—contrary to the expectations of thousands of the confiding electors of Canada, they increased the Public Debt, added millions to the annual expenditures and filled the Public Departments with their friends and partizans.

The Public Debt.

The following table (see Public Accounts, page 19) shows the net and gross debt of Canada on the 1st day of July in each year since Confederation:—

	Net Debt.	Gross Debt.
1867.....	\$75,728,641	\$93,046,091
1868.....	75,757,134	96,896,666
1869.....	75,859,319	112,361,998
1870.....	78,209,742	115,993,706
1871.....	77,706,517	115,492,682
1872.....	82,187,072	122,400,179
1873.....	99,848,461	130,778,098
1874.....	108,324,964	141,163,551
1875.....	116,008,378	151,663,401
1876.....	124,551,514	161,204,687
1877.....	133,235,309	174,675,834
1878.....	140,362,069	174,957,268
1879.....	142,990,187	179,483,871
1880.....	152,451,588	194,634,440
1881.....	155,595,780	199,861,537

From this table it will appear that the debt of Canada has **doubled in ten years**, and more than doubled since 1867, while during the same time the population increased only 28 per cent. In 1871 the debt per head was **\$21.45**; in 1881 it was **\$25.82**, an increase of

Expenditure.

There is nothing clearer, from even the most cursory examination of the Public Accounts, than the rapid increase of the public expenditure since 1878. This the country had no right to expect, as the Conservative party, through their leaders, promised Parliament and the electors of Canada the most rigid economy.

Sir LEONARD TILLEY, addressing the electors of St. John in 1879, said: "Had the Government, of which he was a member, been in power during the last five years he was satisfied the average expenditure would not have exceeded \$22,500,000.

Sir CHARLES TUPPER said in Parliament, on the 22nd day of February, 1878, just as he was bidding for popular support at the elections so soon expected to take place:—

"Inasmuch as we governed the country with a small taxation, and inasmuch as we are prepared to govern the country again without those extravagant expenditures made by the present Government since they have been entrusted with power, all we ask is, not that the taxation shall be increased, because we do not require so much money as the hon. gentlemen opposite, as we have shown by our economy in the past, and which we are prepared to practice in future."

The following table from the Public Accounts (page 18) will show whether these promises were fulfilled or not:—

1867-8.....	\$13,486,092
1868-9.....	14,038,084
1869-70.....	14,345,509
1870-71.....	15,023,081
1871-2.....	17,589,468
1872-3.....	19,171,647
1873-4.....	23,316,316
1874-5.....	23,717,071
1875-6.....	24,488,372
1876-7.....	25,519,301
1877-8.....	25,503,158
1878-9.....	24,455,381
1879-80.....	24,850,634
1880-81.....	25,502,534
1882-3 (Estimates).....	27,600,000

Now in drawing conclusions, and in making comparisons from this table, the Conservative party is charged with the expenditure of 1873-74, and the Liberals with the expenditure of 1878-79. It is only in this way that the comparison can be made to embrace a period of five years with any degree of fairness. True, there may be small items in the expenditure of each of those representative years for which the party charged cannot be held strictly responsible, but these are so small as not to affect the main conclusion. Now the first point clearly shown by this table is that Sir Leonard Tilley expended **\$3,000,000 more in 1881** than he said would be required in 1878, and by his estimate for 1882-3 he is asking Parliament to give him **\$5,000,000 more** than he said he would require in 1878. The second point shown by the table is that the **greatest increases** of the public expenditure always took place **during Conservative rule.**

FIRST CONSERVATIVE PERIOD.

Total expenditure 1867-8.....	\$13,486,092
do 1873-4.....	23,316,316
Increase first Conservative period.....	9,830,224
Or at the rate per year of.....	\$1,638,370

REFORM PERIOD.

COMPARE DETAILS.

In comparing the details of the financial management of the two parties, the last full year of each is taken as the basis. As already stated, it is a disputed question, how much of the expenditure of 1878-9 is chargeable to the Mackenzie Government, that retired from office on the 10th of October, 1878, and how much

to their successors. The Mac were responsible for the expenditure of 1877-8, government for the 1880-81. A comparison of the expenditure of the each should be fair on parties.

COMPARATIVE statement of the Expenditure of Canada from Public Accounts.

	1873-4.	1877-8.	1880
Interest on Public Debt.....	\$ 5,724,436	7,048,883	7,59
SUBSIDIES TO PROVINCES.			
Sinking Fund.....	4,531,362	4,610,740	4,63
Total.....	\$10,255,793	\$11,659,523	\$12,52
CONTROLLABLE EXPENDITURE.			
Civil Government.....	883,685	828,369	91
Administration of Justice.....	459,037	564,920	58
Police.....	56,387	10,616	1
Penitentiaries.....	395,551	308,482	30
Legislation.....	784,048	618,035	61
Geological Survey.....	97,814	96,049	11
Arts, Agriculture.....	19,091	92,365	2
Census.....	39,470	1,053	12
Immigration and Quarantine.....	318,572	180,691	25
Marine Hospitals.....	66,062	57,484	5
Pensions.....	56,453	105,842	9
Superannuation.....	64,442	106,588	14
Militia and Defence.....	977,376	618,136	66
Ocean and River Service.....	407,700	402,371	42
Public Works.....	1,826,001	998,594	1,13
Lighthouse Service.....	537,057	461,967	44
Fisheries.....	76,247	93,262	8
Steamboat Inspection.....	10,291	14,315	1
Insurance Supt.....		8,577	
Miscellaneous.....	102,160	81,167	10
Indian Grants.....	146,068	421,503	80
Dominion Lands.....	283,163	87,628	6
Dominion Forces Manitoba.....	209,169	11,210	
Mounted Police.....	199,599	394,748	28
Northwest Territory organization, Boundary Survey, Sundry charges.....	308,221	43,905	
Total Controllable.....	\$8,824,076	\$6,542,510	\$7,29
CHARGES ON REVENUE.			
Customs.....	658,299	714,527	71
Excise.....	206,935	215,024	24
Weights and Measures.....		96,484	7
Culling Timber and Inspection of Food and Staples.....	82,886	56,924	59
Post Office.....	1,387,270	1,724,938	1,87
Public Works.....	2,389,679	2,471,497	2,70
Minor Revenues.....	11,871	21,785	
Total for all purposes.....	\$23,316,316	\$23,503,158	\$25,50

Charges for Debts and Subsidies.

It will be seen by looking at the above table that the Public Accounts are divided into three sections. In the first section are included the expenses of a fixed character, such as subsidies to Provinces, interest on loans, etc. On examination it will be seen that the charges for interest increased between 1878 and 1881, \$545,861. The estimates for 1882-3 call for \$7,860,547, or a further increase of \$811,664. To pay nearly one third of the entire revenue of the Dominion as interest on borrowed capital is no small strain on the Canadian taxpayer.

Let this contrast not that the **controllable** expenditure by the Mackenzie during their a **\$1,781,566**, and that the **increase** was **increased** present Government

Details of Control.

Civil Government 187
" " 187
" " 188

CONTROLLABLE EXPENDI-

of the confiding electors of Canada, they increased the Public Debt, added millions to the annual expenditures and filled the Public Departments with their friends and partiz ns.

The Public Debt.

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	Net Debt.	Gross Debt.
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1868.....	75,757,134	96,896,466
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1879.....	142,990,187	179,483,871
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1881.....	155,395,780	199,861,537

From this table it will appear that the debt of Canada has doubled in ten years, and more than doubled since 1867, while during the same time the population increased only 28 per cent. In 1871 the debt per head was \$21.45; in 1881 it was \$35.72, an increase of \$14.27 per head in ten years.

WHO IS RESPONSIBLE FOR THIS INCREASE?

It is alleged that the Liberal party are responsible for the larger portion of this increase. This would be true if the obligations for which the debt was incurred were undertaken by the Liberals, but inasmuch as nearly every dollar added to the Debt between 1874 and 1879 was borrowed to carry on public works begun previous to 1873, the party who began these works must be held responsible for the debt incurred for their construction.

OBLIGATIONS OF 1873.

When the Liberal party came into power in 1873 they were confronted with serious financial obligations. By the action of their predecessors the country was committed to enormous undertakings, requiring a large amount of foreign capital—the chief of which were:

The enlargement of canals.....	\$ 20,000,000
Intercolonial Railway.....	10,000,000
Pacific Railway.....	30,000,000
N. S. & N. B. Railways.....	2,000,000
P. E. I. Railways.....	2,500,000
Improvements St. Lawrence.....	2,500,000

Total.....\$67,000,000

The full responsibility for these works was admitted by Sir Leonard Tilley in 1873. On page 20 of his Budget Speech the following statement occurs :—

"We are, however, entering upon new and increased engagements, involving a very large sum of money. We are entering upon works—we have already done so—which will require a large increase of our debt. We have \$10,000,000 to expend on the Intercolonial Railway. We have \$30,000,000 for the Canadian Pacific and the canal system that has been accepted by the Government will involve an expenditure of at least \$20,000,000. These are serious matters, inasmuch as they add \$60,000,000 to our existing debt."

Besides these, there were a number of minor works for which money was voted in 1873, and which, being already under contract, could not very well be abandoned. These were principally Public Buildings, such as Custom Houses, Post Offices, Harbours and Piers, on which about \$3,000,000 were spent during the Mackenzie Administration merely to fulfil the pledges of the previous Government

1879 50	24,500 00
1880 81	25,502,554
1882 3	(Estimate) 27,600,000

Now in drawing conclusions, and in making comparisons from this table, the Conservative party is charged with the expenditure of 1873-74, and the Liberals with the expenditure of 1878-79. It is only in this way that the comparison can be made to embrace a period of five years with any degree of fairness. True, there may be small items in the expenditure of each of those representative years for which the party charged cannot be held strictly responsible, but these are so small as not to affect the main conclusion. Now the first point clearly shown by this table is that Sir Leonard Tilley expended \$3,000,000 more in 1881 than he said would be required in 1878, and by his estimate for 1882-3 he is asking Parliament to give him \$5,000,000 more than he said he would require in 1878. The second point shown by the table is that the greatest increases of the public expenditure always took place during Conservative rule.

FIRST CONSERVATIVE PERIOD.

Total expenditure 1867-8.....	\$13,486,092
do 1873-4.....	23,316,316
Increase first Conservative period.....	9,830,224
Or at the rate per year of.....	\$1,638,370

REFORM PERIOD.

Expenditure 1873-4.....	\$ 23,316,316
do 1878-9.....	24,455,381
Increase in five years.....	1,139,065
Or at the rate per year of.....	\$227,813

SECOND CONSERVATIVE PERIOD.

Expenditure 1878-9.....	\$ 24,455,381
do 1880-1.....	25,502,554
Increase in two years.....	1,047,173
Or at the rate per year of.....	\$ 523,586

These increases summarized show the following :

Increase of expenditure per year, first Conservative period.....	\$1,638,370
do do second period.....	523,586

Average increase of expenditure per year under Conservative rule.....	\$1,080,978
do do under Reform rule.....	\$ 227,813

The following statement regarding the financial management of the country made by the Hon. A. Mackenzie during the Budget Debate of this session is worthy of consideration :

Mr. MACKENZIE. A good deal of time was taken up in discussing the relative expenditures of the two Governments, and the hon. member for Niagara (I hope he will not go off singing at present) was good enough to adopt a new method of balancing books. Now, I have taken another method of obtaining an exact comparison of the expenditure of certain years. I give the items from the Public Accounts, and the hon. gentlemen can take them down if they like. In 1873-4, the interest payable upon the public debt was \$5,724,436; in 1877-8, it was \$7,048,883, or an increase of \$1,324,447. Payments into the sinking fund, in 1873-4, amounted to \$513,920; in 1877-8, to \$945,746, an increase of \$431,896. In the Administration of Justice, in 1873-74, there was a payment made of \$459,037; in 1877-8, of \$564,920 or an increase of \$105,883. Indianas, \$146,068, in 1873-74; in 1877-8, \$421,503, an increase of \$275,465. North West Mounted Police, in 1873-74, \$199,599; in 1877-8, \$334,748, an increase of \$135,149. Weights and measures, no payment in 1873-74; in 1877-8, \$96,484, or a total increase upon the items I have given, which were items beyond the control of the Administration, of \$2,369,224. The total expenditure for 1877-8 was \$23,503,158, and deducting the increases in these seven articles, it left a net expenditure for the same pur-

tion, Boundary Survey, Sundry charges.....	308,221	43,905
Total Controllable.....	\$8,324,076	\$6,542,510	\$7,293,
CHARGES ON REVENUE.....			
Customs.....	658,299	714,527	717.
Excise.....	206,935	215,024	247.
Weights and Measures.....		96,484	74.
Culling Timber and Inspection of Food and Staples.....	82,886	56,924	59.
Post Office.....	1,387,270	1,724,938	1,876.
Public Works.....	2,389,679	2,471,487	2,703.
Minor Revenues.....	11,871	21,785	3.
Total for all purposes.....	\$23,316,816	\$23,503,158	\$25,502,

Charges for Debts and Subsidies.

It will be seen by looking at the above table that the Public Accounts are divided into three sections. In the first section are included the expenses of a fixed character, such as subsidies to Provinces, interest on loans, etc. On examination it will be seen that the charges for interest increased between 1878 and 1881, \$545,861. The estimates for 1882-3 call for \$7,860,547, or a further increase of \$111,664. To pay nearly one third of the entire revenue of the Dominion as interest on borrowed capital is no small strain on the Canadian taxpayer.

CONTROLLABLE EXPENDITURE.

The second division of the Public Accounts previously referred to classifies under the above head, all those items of expenditure said to be clearly under the control of the Government. This expenditure was declared by Hon. D. L. MacPherson to be as much under Government control as ordinary household expenses are under the control of individuals. Take the following summary as indicative of the management of the Government "household":

Total controllable expenditure 1873,.....	\$8,324,076
" " 1878,.....	6,542,510
Showing a Reduction during the Reform Administration of.....	\$1,781,566
Controllable expenditure 1878,.....	\$6,542,510
" " 1881,.....	7,293,563
Increase in three years.....	\$751,053

Let this contrast not that the controllable expenditure by the Mackenzie during their administration was increased by the present Government.

Details of Controllable Expenditure.

Civil Government 1873.....	" 1878	" 1881
Estimates, 1882-3.....		

The item "Civil Government" all the salaries paid to the officers and contingent charges against the Government that they increased multiplied the necessities of the service, the amount paid under reduced from \$883,158,369 in 1878, is a to this charge—and the since 1878 the expenditure has risen to \$915,9 a demand in the estimate \$973,159, proves beyond economy practised by—ment is not respected no

The following table will show the number of officers and the salaries in 1878 and 1881 respectively.

	NO. OF EMPLOYEES 1878	NO. OF EMPLOYEES 1881.	SALARIES 1878
Justice, including Penitentiaries..	13	17	\$14,8
Secretary of State.....	37	39	37.6
Interior, including Indian Branch.	40	59	44.3
Customs.....	27	25	31.3
Inland Revenue.....	27	30	28.5
Public Works, Railways & Canals.	81	49	44.3
Militia.....	30	28	37.3
Privy Council.....	12	18	14.2
Post Office.....	109	140	90.7
Governor-General's Secretary.....	10	6	9.4
Finance.....	58	48	74.2
Receiver-General.....	15		19.8
Auditor-General.....		23	
Agriculture.....	40	80	36.1
Marine and Fisheries.....	20	25	27.8
Total.....	469	537	510.9

Of the above employees, 71 were extra clerks in 1878, and 66 in 1881:

Increase of Civil Servants in three years.....	68.
Increase of salaries in 3 years.....	\$63,315.

Administration of Justice.

Under this head Parliament votes certain sums of money for the payment of the salaries of the judges in the different Provinces. The following statement shows the increase since 1878:

Expenditure, 1878.....	\$564,920
" 1881.....	\$63,315
Estimate 1882-3.....	\$63,315

the allowance of the re also the salary of the pers place. The expenditure

In 1878.....	
In 1881.....	
Estimates 1882-3.....	

The reckless manner of expenditure is increasing in following statement of retired and the allowance and 1881 respectively:

No of persons supernant	"
Allowance made in 1878	"
" 1881	"

Militia.

were undertaken by the Liberals, but in as much as nearly every dollar added to the Debt between 1874 and 1879 was borrowed to carry on public works begun previous to 1873, the party who began these works must be held responsible for the debt incurred for their construction.

OBLIGATIONS OF 1873.

When the Liberal party came into power in 1873 they were confronted with serious financial obligations. By the action of their predecessors the country was committed to enormous undertakings, requiring a large amount of foreign capital—the chief of which were:

The enlargement of canals.....	\$ 20,000,000
Intercolonial Railway.....	10,000,000
Pacific Railway.....	30,000,000
N. S. & N. B. Railways.....	2,000,000
P. E. I. Railways.....	2,500,000
Improvements St. Lawrence.....	2,500,000

Total.....\$67,000,000

The full responsibility for these works was admitted by Sir Leonard Tilley in 1873. On page 20 of his Budget Speech the following statement occurs:—

"We are, however, entering upon new and increased engagements, involving a very large sum of money. We are entering upon works—we have already done so—which will require a large increase of our debt. We have \$10,000,000 to expend on the Intercolonial Railway. We have \$30,000,000 for the Canadian Pacific and the canal system that has been accepted by the Government will involve an expenditure of at least \$20,000,000. These are serious matters, inasmuch as they add \$60,000,000 to our existing debt."

Besides these, there were a number of minor works for which money was voted in 1873, and which, being already under contract, could not very well be abandoned. These were principally Public Buildings, such as Custom Houses, Post Offices, Harbors and Piers, on which about \$3,000,000 were spent during the Mackenzie Administration merely to fulfil the pledges of the previous Government. Now it would certainly be very unfair to charge the Liberal party with the debt incurred under these circumstances. For instance between the 1st July, 1874, and the 1st July, 1879 **\$17,645,985** were spent for the enlargement and improvement of our Canal system. For this purpose \$3,690,000 were voted in 1872, and \$5,277,000 in 1873. On the Pacific Railway **\$11,052,615** were spent. No one will be bold enough to say that this was an obligation of the Liberals. During the same time **\$5,283,963** were spent on the Intercolonial Railway. We have then the sum of **\$3,980,561** expended by the Liberal party on public works begun by their predecessors, for which money had to be borrowed, and on account of which the Public Debt had necessarily to be increased.

To put the matter briefly and concisely the debt account of Canada will then stand as follows:—

Increase from 1867 to 1st July, 1874, for which the Conservative party are responsible \$	32,596,323
Increase from 1874 to 1879 to fulfil obligations of Conservative party as above	33,980,561
Increase from 1879 to 1.81.....	12,405,593
Total increase since Confederation.....	79,667,139
Cost of the Liberal Increase.....	78,982,477
Leaving a balance as the Reform increase of.....	\$ 684,662

To this, however, must be added the deficits, which, after deducting the surpluses, amounted to \$2,868,540. By no possibility then can the Liberal party be held responsible for more than 5 per cent. of the increase of the Public Debt since

These increases summarized show the following:

Increase of expenditure per year, first Conservative period.....	\$1,638,370
do do second period.....	523,586
Average increase of expenditure per year under Conservative rule.....	\$1,080,978
do do under Reform rule.....	\$ 227,813

The following statement regarding the financial management of the country made by the Hon. A. Mackenzie during the Budget Debate of this session is worthy of consideration:

Mr. MACKENZIE. A good deal of time was taken up in discussing the relative expenditures of the two Governments, and the hon. member for Niagara (I hope he will not go off singing at present) was good enough to adopt a new method of balancing books. Now, I have taken another method of obtaining an exact comparison of the expenditure of certain years. I give the items from the Public Accounts, and the hon. gentlemen can take them down if they like. In 1873-4, the interest payable upon the public debt was \$5,724,436; in 1877-8, it was \$7,048,883, or an increase of \$1,324,447. Payments into the sinking fund, in 1873-4, amounted to \$513,920; in 1877-8, to \$945,746, an increase of \$431,896. In the Administration of Justice, in 1873-74, there was a payment made of \$459,037; in 1877-78, of \$564,920 or an increase of \$105,883. Indians, \$146,068, in 1873-74; in 1877-78, \$421,503, an increase of \$275,465. North West Mounted Police, in 1873-74, \$199,599; in 1877-78, \$334,748, an increase of \$135,149. Weights and measures, no payment in 1873-74; in 1877-78, \$96,484, or a total increase upon the items I have given, which were items beyond the control of the Administration, of \$2,369,224. The total expenditure for 1877-78 was \$23,503,158, and deducting the increases in these seven articles, it left a net expenditure for the same purposes that \$23,316,000 were spent for in 1873-74, of \$21,133,124, from which a further amount of increase in pensions of \$49,399 has to be deducted, leaving the actual net expenditure \$21,083,535 in room of \$23,316,316, the last year of hon. gentlemen opposite, or an actual decrease of, as nearly as possible, \$2,500,000 from the time we took office to that period. Now, Sir, I will take a year altogether of the period of administration of the hon. gentleman opposite. I will contrast his own last year, 1873-74 with the year 1880-81. The interest in 1873-74 is \$5,734,486; in 1880-81, it was \$7,594,144, or an increase of \$1,869,708; the Sinking Fund, \$513,920, in 1873-74, and \$1,250,731 in 1880-81, or an increase of \$636,811; Administration of Justice, \$459,037, against \$583,597, an increase of \$124,920; Pensions, \$56,453, against \$96,388, an increase of \$39,935; Indians, \$146,068, against \$805,097, or an increase of \$652,988; Mounted Police, \$199,599, against \$289,845, or an increase of \$90,146; Weights and Measures, \$74,170 in 1880-81. Now, the total increase for 1880-81 over 1873-74 was \$3,494,779, while the hon. gentleman's total expenditures in the Public Accounts was \$25,502,554, leaving as a net expenditure, \$22,007,775, or a difference of \$1,000,000 higher than ours in the years 1877-78. There is no controverting these figures—

Sir LEONARD TILLEY. Hear, hear!

Mr. MACKENZIE. The hon. gentleman laughs, but I defy him to do it unless he declares his own statement to be wrong!

Under the control of Mr. Mackenzie, I take the following summary as indicative of the management of the Government "household":

Total controllable expenditure 1873, \$8,324,076	
" " 1878, 6,542,510	
Showing a Reduction during the Reform Administration of.....	\$1,781,566
Controllable expenditure 1878, \$6,542,510	
" " 1881, 7,293,563	
Increase in three years.....	\$751,053

\$823,369 in 1878, is a demand in the estimate \$973,159, proves beyond economy practised by Government is not respected now

The following table will show the number of officers and the salaries in 1878 and 1881 respectively

	NO. OF EMPLOYEES 1875	NO. OF EMPLOYEES 1881	SALARIES 1875
Justice, including Penitentiaries..	13	17	\$14,86
Secretary of State.....	87	39	37,65
Interior, including Indian Branch.	40	59	44,38
Customs.....	27	25	31,36
Inland Revenue.....	27	30	28,57
Public Works, Railways & Canals.	81	49	44,32
Militia.....	30	28	37,30
Privy Council.....	12	18	14,20
Post Office.....	109	140	90,70
Governor-General's Secretary.....	10	6	9,44
Finance.....	58	48	74,23
Receiver-General.....	15		19,85
Auditor-General.....		23	
Agriculture.....	40	80	36,13
Marine and Fisheries.....	20	25	27,89
Total.....	469	537	510,92

Of the above employees, 71 were extra clerks in 1878, and 66 in 1881:

Increase of Civil Servants in three years **68.**

Increase of salaries in 3 years **\$63,315.**

Administration of Justice.

Under this head Parliament votes certain sums of money for the payment of the salaries of the judges in the different Provinces. The following statement shows the increase since 1878:

Expenditure, 1878.....	\$564,920
" 1881.....	583,957
Estimates, 1882-3.....	613,590

Police.

This item is for the payment of the Police Force to protect the capital and other public property:

Expenditure, 1878.....	\$10,616
" 1881.....	13,525
Estimates, 1882-3.....	12,500

Legislation.

The money voted under this head is expended in paying the indemnity allowed to members of the Senate and the House of Commons and other expenses connected with the sessions of Parliament:

Expenditure, 1878.....	\$618,035
" 1881.....	611,375
Estimates, 1882-3.....	636,505

Immigration and Quarantine.

This item requires no explanation:

Expenditure, 1878.....	\$180,691
" 1881.....	250,812
Estimates, 1882-3.....	378,307

Superannuation.

The expenditure under this head is incurred to enable the Government to retire officers who by age or bodily infirmity are no longer fit for service. It is very much to be feared that many are retired, not so much from physical incapacity as from a desire to fill their places with friends of the Government. The effect of this is to charge the revenue with

the allowance of the retired also the salary of the person in place. The expenditure

In 1878.....
In 1881.....
Estimates 1882-3.....

The reckless manner in which the expenditure is increasing is following statement of retired and the allowance and 1881 respectively:

No of persons superannuated
Allowance made in 1878.
" 1881.

Militia.

Under this head sums voted to keep up drill property, staff officers, and particularly to pay for inefficiency of the volunteer may be doubts as to the large an expenditure each ment recommends, particularly no probability of any disturbance near or remote neighbors near or remote regretted, however, that Government is adding large expenses, but a very small increase goes to the vol who whose zeal and enthusiasm service to the country n Here is the statement of e

Militia, 1878.....
" 1881.....
Estimates, 1882-3.....
Amount paid volunteers,

Here we have an increase of \$50,000 in the expense of which only \$3,120 went to the volunteers, who at much personal discomfort, left train themselves for the country. This certainly is justice, nor does it show a disfigure of the public funds

Military College.

This college was established a view to train young men in service in the highest department of war. The object good, but the most alarming prevails in its management

Supplement to Napanee Exp

Expenditure.

nothing clearer, from even the examination of the Public Accounts, than the rapid increase of the expenditure since 1878. This is no right to expect, as the party, through their leaders, parliament and the electors of most rigid economy.

HARD TILLEY, addressing of St. John in 1879, said: "Government, of which he was then in power during the last year, was satisfied the average expenditure would not have exceeded

WILES TUPPER said in Parliament the 22nd day of February, 1879, he was bidding for popular elections so soon expected

as we governed the country with wisdom, and inasmuch as we are preserving the country again without any expenditure made by the Government since they have been enabled to power, all we ask is, not that it shall be increased, because we are so much money as the hon. member, as we have shown by our past, and which we are practicing in future."

the table from the Public Accounts (page 18) will show whether the same were fulfilled or not:—

1873-4	\$13,486,092
1874-5	14,038,084
1875-6	14,345,509
1876-7	15,823,081
1877-8	17,589,468
1878-9	19,171,647
1879-80	23,316,316
1880-1	23,718,071
1881-2	24,488,372
1882-3	23,519,301
1883-4	23,503,158
1884-5	24,455,341
1885-6	24,850,634
1886-7	25,502,554
1887-8	27,600,000

drawing conclusions, and in comparison from this table, the party is charged with the expenditure of 1878-79. It is only that the comparison can be made for a period of five years of fairness. True, there is an increase in the expenditure of a representative years for which charged cannot be held responsible, but these are so small as to be the main conclusion. Now it is clearly shown by this Sir Leonard Tilley expended \$10,000,000 more in 1881 than he required in 1878, and by for 1882-3 he is asking Parliament him \$5,000,000 more said he would require the second point shown by the greatest increase in expenditure always took a Conservative rule.

CONSERVATIVE PERIOD.
1878-9 \$13,486,092
1879-80 23,316,316
Conservative period 9,830,224
per year of \$1,638,370

REFORM PERIOD.
1873-4 \$23,316,316
1874-5 24,455,381
years 1,139,065
per year of. \$227,183

CONSERVATIVE PERIOD.
1878-9 \$24,455,381
1880-1 25,502,554

COMPARE DETAILS.

In comparing the details of the financial management of the two parties, the last full year of each is taken as the basis. As already stated, it is a disputed question, how much of the expenditure of 1878-9 is chargeable to the Mackenzie Government, that retired from office on the 10th of October, 1878, and how much

to their successors. There can be no doubt, however, that the Mackenzie Government were responsible for the whole of the expenditure of 1877-8, and the present Government for the whole expenditure of 1880-81. A comparison therefore based on the expenditure of the last full year of each should be fair and acceptable to all parties.

COMPARATIVE statement of the Expenditure of Canada from page 18 of the Public Accounts.

	1873-4.	1877-8.	1880-81.	Estimates 1882-3.
Interest on Public Debt.....	\$ 5,724,436	7,048,883	7,594,144	7,860,547
SUBSIDIES TO PROVINCES.				
Sinking Fund.....	4,531,362	4,610,740	4,631,693	4,969,067
Total.....	\$10,255,793	\$11,659,623	\$12,225,837	\$12,829,614
CONTROLLABLE EXPENDITURE.				
Civil Government.....	883,685	828,369	915,958	973,159
Administration of Justice.....	459,037	564,920	583,957	613,590
Police.....	56,387	10,616	13,525	12,500
Penitentiaries.....	395,551	308,482	307,366	295,367
Legislation.....	784,048	618,035	611,375	636,505
Geological Survey.....	97,814	96,049	111,352	109,400
Arts, Agriculture.....	19,091	92,365	22,408	21,200
Census.....	39,470	1,053	127,033	60,000
Immigration and Quarantine.....	318,572	180,691	250,812	378,307
Marine Hospitals.....	66,062	57,484	52,183	62,000
Pensions.....	56,453	105,842	96,388	102,160
Superannuation.....	64,442	106,588	147,362	155,000
Militia and Defence.....	977,376	618,136	667,000	758,500
Ocean and River Service.....	407,700	402,371	429,439	540,223
Public Works.....	1,826,001	998,594	1,138,765	1,699,225
Lighthouse Service.....	537,057	461,967	443,724	487,766
Fisheries.....	76,247	93,262	80,560	93,000
Steamboat Inspection.....	10,291	14,315	12,149	15,000
Insurance Supt.....		8,577	9,579	9,850
Miscellaneous.....	102,160	81,167	109,929	116,050
Indian Grants.....	146,068	421,503	805,097	909,808
Dominion Lands.....	283,163	87,628	67,745	99,660
Dominion Forces Manitoba.....	209,169	11,210		
Mounted Police.....	199,599	334,748	289,845	413,000
Northwest Territory organization, Boundary Survey, Sundry charges.....	308,221	43,905		
Total Controllable.....	\$8,824,076	\$6,542,510	\$7,293,563	\$8,560,970
CHARGES ON REVENUE.				
Customs.....	658,299	714,527	717,704	734,244
Excise.....	206,935	215,024	247,577	271,866
Weights and Measures.....		96,484	74,170	76,600
Culling Timber and Inspection of Food and Staples.....	82,886	56,924	59,801	80,000
Post Office.....	1,387,270	1,724,938	1,876,657	2,018,900
Public Works.....	2,389,679	2,471,487	2,703,665	2,713,455
Minor Revenues.....	11,371	21,785	3,575	10,000
Total for all purposes.....	\$23,316,816	\$23,503,158	\$25,502,554	\$27,805,458

Charges for Debts and Subsidies.

It will be seen by looking at the above table that the Public Accounts are divided into three sections. In the first section are included the expenses of a fixed character, such as subsidies to Provinces, interest on loans, etc. On examination it will be seen that the charges for interest increased between 1878 and 1881, \$545,861. The estimates for 1882-3 call for \$7,860,547, or a further increase of \$811,664. To pay nearly one third of the entire revenue of the Dominion as interest on borrowed capital is no small strain on the Canadian taxpayer.

CONTROLLABLE EXPENDITURE.

The second division of the Public Accounts previously referred to classifies under the above head, all those items of expenditure said to be clearly under the control of the Government. This expenditure was declared by Hon. D. I. Mac-

Let this contrast not be forgotten viz: that the controllable or "household" expenditure was reduced by the Mackenzie Government during their administration \$1,781,566, and that the same expenditure was increased by the present Government \$741,053

Details of Controllable Expenditure.

Civil Government 1873....	\$883,685
" " 1878.....	823,369
" " 1881.....	915,958
Estimates, 1882-3.....	\$973,159

The item "Civil Government" includes all the salaries paid to the Departmental officers and contingent expenses. It was charged against the Mackenzie Government that they increased the salaries and multiplied the officers far beyond the

The gross expenditure in 1878.....	\$80,113
" " 1881.....	66,690
Salaries paid Staff Officers 1878.....	13,946
" " 1881.....	30,571
Salaries paid Non-Commissioned Officers 1878.....	2,591
Salaries paid Non-Commissioned Officers 1881.....	5,579

The increases apparent from the statement given above are worthy of consideration.

Indian Grants.

The money under this head is voted to pay annuities to the Indians, and also such sums as may be considered necessary for their education or maintenance:

The expenditure in 1878 was.....	\$421,503
" " 1881 was.....	805,097
Estimates 1882-3.....	909,308

Here is an increase of nearly half a million dollars since the present party came into power, without any increase in the number of Indians receiving annuities.

Canals.

The management of our vast system of Canals requires the greatest care and economy. In 1878 the revenue of the entire canal system of Canada was \$378,248, and the expenditure on salaries, repairs, etc., \$346,996, leaving a net profit of \$31,252. In 1881, the revenue was \$369,597 and the expenditure \$374,788, showing a net loss of \$5,191. In three years these Public Works that were found to be reasonably productive rendered, to charge upon the revenue by the improvident management of the Conservative Government.

Excise.

The expenses in this department are mainly for collecting the revenue from malt, spirits and tobacco.

Number of Officers, 1878.....	191
" " 1881.....	199
Salaries.....	\$174,272
" " 1881.....	189,529

The whole expense of the excise Department was as follows:

1878.....	\$213,030
1881.....	233,430
Estimates, 1882-3.....	271,866

It is quite clear all desire to practice economy in this department is lost sight of, as there can be no justification for this great increase.

Post Office.

The expenditure under this head consists principally of two items—the salaries of Postmasters, Clerks, etc., and payments to railway companies, carriers and others for conveying Her Majesty's mails for the last full Reform year and 1881. The expenditure for the last was as follows:

Total 1878.....	\$1,724,935
" 1881.....	1,876,657
Estimates 1882-3.....	2,018,900

The expenditure for the conveyance of mails was as follows:

1878.....	\$1,048,718
1881.....	1,092,470
Increase.....	43,752

Travelling Mini

A most interesting fact connected with that the late Macdonald is charged to be taken out of the land for the Railway.

We give a

1874-5 Sir R. J. M. C.	
" " J. M. C.	
" " Hon. J. M. C.	
1875-6 Sir R. J. M. C.	
" " Hon. J. M. C.	
" " H. K. Sec.	
1876-7 Sir R. J. M. C.	
1877-8 Do	

Total ...

CONSI

1878 Sir L.	
1879 Sir L.	
" Sir L.	
" Sir J.	
1880 Hon.	
" Sir J.	
and	
1881 Sir L.	
ciat	
Enj	
" do sec	
" Sir C.	
" do sec	
1881-2 Sir J.	

Total ...

It will be table that ple recently becc charges me Treasury. some of th For instance drawn from t to England th the further s and secretary 1881.

SIR C

during the la public treasu enormous sun he drew \$1,0 trip to Briti 1881, and als sum of \$1.5: penses of tw who shared w trip. In ad salary of \$7 Tupper's trav country withi

SIR J

has drawn fr the 1st Janu penses, the \$3,000 per y mental salary Contrast the economy prac ment, and it Macdonald's country more penses of Mi of the Refor Total expendi ters (5 yea

... 1,047,173
er year of. \$ 523,586
es summarized show the

expenditure
first Conser-
1 d.....\$1 638,770
cond period 523,586

ase of ex-
per year un-
rative rule\$1,080,978
der Reform
rule\$ 227,813

statement regarding the
gement of the country
lon. A. Mackenzie during
ate of this session is worthy

ENZIE. A good deal of
up in discussing the rela-
es of the two Govern-
hon. member for Niagara
not go off singing at pre-
enough to adopt a new
cng books. Now, I have
method of obtaining an
on of the expenditure of
I give the items from the
s, and the hon. gentlemen
down if they like. In
terest payable upon the
\$5,724,436; in 1877-8,
1883, or an increase of
payments into the sinking
amounted to \$513,920; in
945,746, an increase of
the Administration of
3-74, there was a payment
37; in 1877-78, of \$564,920
of \$105,883. Indians,
73-74; in 1877-78, \$421,
use of \$275,465. North
d Police, in 1873-74,
1877-78, \$334,748, an in-
149. Weights and mea-
ntain 1873-74; in 1877-78,
total increase upon the
iven, which were items
rol of the Administration.
The total expenditure
\$23,503,158, and deduct-
s in these seven articles, it
iditure for the same pur-
16,000 were spent for in
1,133,124, from which a
of increase in pensions of
be deducted, leaving the
enditure \$21,083,535 in
1,316, the last year of hon.
site, or an actual decrease
possible, \$2,500,000 from
ook office to that period.
take a year altogether of
ministration of the hon.
site. I will contrast his
1873-74 with the year
interest in 1873-74 is
1880-81, it was \$7,594,
rease of \$1,869,708; the
\$513,920, in 1873-74, and
880-81, or an increase of
ministration of Justice,
st \$583,597, an increase
ensions, \$56,453, against
rease of \$39,935; Indians,
st \$805,097, or an increase
unted Police, \$199,599,
5, or an increase of \$90,
nd Measures, \$74,170 in
the total increase for
1873-74 was \$3,494,779,
gentleman's total expendi-
ble Accounts was \$25,
g as a net expenditure,
a difference of \$1,000,000
rs in the years 1877-78.
roverting these figures —

RD TILLEY. Hear,

ENZIE. The hon. gentle-
I defy him to do it unless
own statement to be

Person to be as much under Government
control as ordinary household expenses are
under the control of individuals. Take the
following summary as indicative of the
management of the Government "house-
hold":

Total controllable expenditure 1873,	\$8,324,076
" " 1878,	6,542,510
Showing a Reduction dur- ing the Reform Administra- tion.....	\$1,781,566
Controllable expenditure 1878,	\$6 542 510
" 1881,	7,293,563
Increase in three years....	\$751,053

	NO. OF EMPLOYEES 1878	NO OF EMPLOYEES 1881	SALARIES 1878	SALARIES 1881.
Justice, including Penitentiaries..	13	17	\$14,860	\$19,451
Secretary of State.....	37	39	37,655	37,592
Interior, including Indian Branch.	40	59	44,380	63,515
Customs.....	27	25	31,360	30,871
Inland Revenue.....	27	30	28,571	32,025
Public Works, Railways & Canals.	31	49	44,325	65,722
Militia.....	30	28	37,301	35,443
Privy Council.....	12	18	14,200	14,616
Post Office.....	109	140	90,704	110,990
Governor-General's Secretary.....	10	6	9,447	9,875
Finance.....	58	48	74,235	68,118
Receiver-General.....	15		19,852	
Auditor-General.....		23		21,761
Agriculture.....	40	30	36,133	33,660
Marine and Fisheries.....	20	25	27,897	30,597
Total.....	469	537	510,925	574,240

Of the above employees, 71 were extra
clerks in 1878, and 66 in 1881:

Increase of Civil Servants in three
years 68.
Increase of salaries in 3 years
\$63,315.

Administration of Justice.

Under this head Parliament votes cer-
tain sums of money for the payment of
the salaries of the judges in the different
Provinces. The following statement shows
the increase since 1878:

Expenditure, 1878.....	\$564,920
" 1881.....	583,957
Estimates, 1882-3.....	613,590

Police.

This item is for the payment of the
Police Force to protect the capital and
other public property:

Expenditure, 1878.....	\$10 616
" 1881.....	13,525.
Estimates, 1882-3.....	12,500

Legislation.

The money voted under this head is
expended in paying the indemnity allowed
to members of the Senate and the House
of Commons and other expenses connected
with the sessions of Parliament:

Expenditure, 1878.....	\$618,035
" 1881.....	611,375
Estimates, 1882-3.....	636,505

Immigration and Quarantine.

This item requires no explanation:

Expenditure, 1878.....	\$180,691
" 1881.....	250,812
Estimates, 1882-3.....	378,307

Superannuation.

The expenditure under this head is
incurred to enable the Government to
retire officers who by age or bodily in-
firmity are no longer fit for service. It is
very much to be feared that many are
retired, not so much from physical inca-
pacity as from a desire to fill their places
with friends of the Government. The
effect of this is to charge the revenue with

necessities of the service. The fact that
the amount paid under this head was
reduced from \$883,685 in 1873 to
\$823,369 in 1878, is a sufficient answer
to this charge—and the other fact, that
since 1878 the expenditure under this
head has risen to \$915,958 in 1881, with
a demand in the estimates for 1882-3 of
\$973,159, proves beyond doubt that the
economy practised by the late govern-
ment is not respected now.

The following table will show the num-
ber of officers and the salaries paid in
1878 and 1881 respectively:

	NO. OF EMPLOYEES 1878	NO OF EMPLOYEES 1881	SALARIES 1878	SALARIES 1881.
Justice, including Penitentiaries..	13	17	\$14,860	\$19,451
Secretary of State.....	37	39	37,655	37,592
Interior, including Indian Branch.	40	59	44,380	63,515
Customs.....	27	25	31,360	30,871
Inland Revenue.....	27	30	28,571	32,025
Public Works, Railways & Canals.	31	49	44,325	65,722
Militia.....	30	28	37,301	35,443
Privy Council.....	12	18	14,200	14,616
Post Office.....	109	140	90,704	110,990
Governor-General's Secretary.....	10	6	9,447	9,875
Finance.....	58	48	74,235	68,118
Receiver-General.....	15		19,852	
Auditor-General.....		23		21,761
Agriculture.....	40	30	36,133	33,660
Marine and Fisheries.....	20	25	27,897	30,597
Total.....	469	537	510,925	574,240

the allowance of the retired officer, and
also the salary of the person who takes his
place. The expenditure under this head

In 1878.....\$106,588
In 1881.....147,362
Estimates 1882-3 \$153,000.

The reckless manner in which the ex-
penditure is increasing is shown by the
following statement of the numbers
retired and the allowance made in 1878
and 1881 respectively:

No of persons superannuated 1878	38
" 1881	70
Allowance made in 1878.....	\$16,857 33
" 1881.....	29,927 34

Militia.

Under this head sums of money are
voted to keep up drill-sheds, ordnance
property, staff officers, and last, but par-
ticularly to pay for maintaining the
efficiency of the volunteer force. There
may be doubts as to the propriety of so
large an expenditure each year as Parlia-
ment recommends, particularly as there is
no probability of any disturbance with our
neighbors near or remote. It is to be
regretted, however, that when the Gov-
ernment is adding largely to militia ex-
penses, but a very small portion of the
increase goes to the volunteer force, on
whose zeal and enthusiasm the value of the
service to the country mainly depends.
Here is the statement of expenses:

Militia, 1878.....	\$618,136
" 1881.....	667,000
Estimates, 1882-3.....	758,500
Amount paid volunteers, 1878.....	154,005
" 1881.....	157,125

Here we have an increase of nearly
\$50,000 in the expense of the militia, of
which only \$3,120 went to our volun-
teers, who at much inconvenience and
personal discomfort, left their homes to
train themselves for the service of their
country. This certainly is not doing them
justice, nor does it show a prudent expen-
diture of the public funds.

Military College.

This college was established in 1875 with
a view to train young men for military
service in the highest department of the
art of war. The object of the college is
good, but the most alarming extravagance
prevails in its management.

Salaries and other allowances	912,606
Salaries and other allowances	
1881.....	1,023,394
Increase.....	110,788

But it may be said that the large in-
crease in the expenditure in this depart-
ment was owing to the mail facilities
afforded to the people in the North West.
The following statement will destroy for
ever such a plea:

Revenue from Manitoba and North West	\$14,407
Revenue from Manitoba and North West	
1881.....	38,780
Expenditure 1878.....	31,325
" 1881.....	56,018

This shows that only \$24,693 addi-
tional expense out of a total increase of
over \$150,000 is chargeable to Manitoba
and the North West.

EXTRAVAGANCE.

The foregoing facts, all of them
capable of verification and all taken
from the public accounts, show con-
clusively the extravagance of the
present Government. The promises made
in 1878 led many to forget party lines.
The Conservative leaders gave the country
the strongest assurances that the most
rigid economy would be practised. Now,
when these promises are examined with
the evidences of their extravagance
patent on every page of the Pub-
lic Accounts, there can be but
one opinion as to the propriety
of dismissing them from office so
soon as the opportunity is
afforded, for how can confidence be
placed in men incapable of fulfilling any
promise or redeeming any pledge.

Ministerial Junketings.	
The departmental waste already re- ferred to is not the only way in which the present Government find it convenient to waste the public funds. Take the travel- ling expenses of Ministers on public busi- ness in Canada:	
1878.	
Hon. E. Blake.....	\$ 48 00
Hon. A. Lafamme.....	297 00
Hon. H. B. Vail.....	218 70
Sir Richard J. Cartwright.....	118 00
Sir Albert Smith.....	135 00
Hon. J. Borpee.....	500 00
Hon. Mr. Cauchon.....	300 00
Hon. Mr. Pelletier.....	80 50
Hon. L. S. Huntington.....	303 00
Total.....	\$2006 20
1881.	
Hon. Mr. Mousseau.....	\$634 50
Hon. J. O'Connor.....	31 25
Sir John A. Macdonald.....	466 50
Sir A. Campbell.....	249 10
Sir H. Langevin.....	85 85
Hon. P. Caron.....	504 00
Sir Leonard Tilley.....	464 00
Hon. M. Bowell.....	205 00
Hon. A. G. Baby.....	399 58
Hon. J. C. Pope.....	655 00
Total.....	\$3,694 75

Besides these expenses for travelling on
the public service at home we have large
bills for trips to England. There can be
no objection to this expenditure when
public necessities require it. The country
was assured, however, that when Sir A.
T. Galt was appointed Commissioner at
London, England, that the expensive trips
of Canadian Ministers would be obviated.
The following facts from returns (Sess. Pa-
pers, 1881, and 1882) show the extent
to which this promise has been fulfilled:

Total Conserva-
Do Sir John

SE

The follow-
amount of mon-
as High Comm-
paid for rent at
London; also a
expenses for his
service of the C
1878:

Bank of Montre
Sir A. T. Ga
Bernard ...
Services as Con-
and a half m
Lieut.-Col. Ber
as Assistant-
three and a

Salary, 1st M
June, 1880, i
annum.....
Passage for self
England, i
penses during
Halifax.....
House furnishi
lishment of I
Rent.....
Exchange on d

Salary.....
Other expenses
travelling ex
Services and
nected with
tions with Fr
in 1879-80...

Payment on acc
Contingencies..

Surp!

The followin
vs. deficit of th

EXPENDITURE.	SURPLUS.	DEFICIT.
1873-4	\$24,205,092	\$23,316,316
1874-5	\$24,205,092	\$23,316,316
1875-6	\$24,205,092	\$23,316,316
1876-7	\$24,205,092	\$23,316,316
1877-8	\$24,205,092	\$23,316,316
1878-9	\$24,205,092	\$23,316,316
1879-80	\$24,205,092	\$23,316,316
1880-1	\$24,205,092	\$23,316,316
1881-2	\$24,205,092	\$23,316,316
1882-3	\$24,205,092	\$23,316,316
1883-4	\$24,205,092	\$23,316,316
1884-5	\$24,205,092	\$23,316,316
1885-6	\$24,205,092	\$23,316,316
1886-7	\$24,205,092	\$23,316,316
1887-8	\$24,205,092	\$23,316,316
1888-9	\$24,205,092	\$23,316,316
1889-90	\$24,205,092	\$23,316,316
1890-1	\$24,205,092	\$23,316,316
1891-2	\$24,205,092	\$23,316,316
1892-3	\$24,205,092	\$23,316,316
1893-4	\$24,205,092	\$23,316,316
1894-5	\$24,205,092	\$23,316,316
1895-6	\$24,205,092	\$23,316,316
1896-7	\$24,205,092	\$23,316,316
1897-8	\$24,205,092	\$23,316,316
1898-9	\$24,205,092	\$23,316,316
1899-00	\$24,205,092	\$23,316,316
1900-1	\$24,205,092	\$23,316,316
1901-2	\$24,205,092	\$23,316,316
1902-3	\$24,205,092	\$23,316,316
1903-4	\$24,205,092	\$23,316,316
1904-5	\$24,205,092	\$23,316,316
1905-6	\$24,205,092	\$23,316,316
1906-7	\$24,205,092	\$23,316,316
1907-8	\$24,205,092	\$23,316,316
1908-9	\$24,205,092	\$23,316,316
1909-10	\$24,205,092	\$23,316,316
1910-11	\$24,205,092	\$23,316,316
1911-12	\$24,205,092	\$23,316,316
1912-13	\$24,205,092	\$23,316,316
1913-14	\$24,205,092	\$23,316,316
1914-15	\$24,205,092	\$23,316,316
1915-16	\$24,205,092	\$23,316,316
1916-17	\$24,205,092	\$23,316,316
1917-18	\$24,205,092	\$23,316,316
1918-19	\$24,205,092	\$23,316,316
1919-20	\$24,205,092	\$23,316,316
1920-21	\$24,205,092	\$23,316,316
1921-22	\$24,205,092	\$23,316,316
1922-23	\$24,205,092	\$23,316,316
1923-24	\$24,205,092	\$23,316,316
1924-25	\$24,205,092	\$23,316,316
1925-26	\$24,205,092	\$23,316,316
1926-27	\$24,205,092	\$23,316,316
1927-28	\$24,205,092	\$23,316,316
1928-29	\$24,205,092	\$23,316,316
1929-30	\$24,205,092	\$23,316,316
1930-31	\$24,205,092	\$23,316,316
1931-32	\$24,205,092	\$23,316,316
1932-33	\$24,205,092	\$23,316,316
1933-34	\$24,205,092	\$23,316,316
1934-35	\$24,205,092	\$23,316,316
1935-36	\$24,205,092	\$23,316,316
1936-37	\$24,205,092	\$23,316,316
1937-38	\$24,205,092	\$23,316,316
1938-39	\$24,205,092	\$23,316,316
1939-40	\$24,205,092	\$23,316,316
1940-41	\$24,205,092	\$23,316,316
1941-42	\$24,205,092	\$23,316,316
1942-43	\$24,205,092	\$23,316,316
1943-44	\$24,205,092	\$23,316,316
1944-45	\$24,205,092	\$23,316,316
1945-46	\$24,205,092	\$23,316,316
1946-47	\$24,205,092	\$23,316,316
1947-48	\$24,205,092	\$23,316,316
1948-49	\$24,205,092	\$23,316,316
1949-50	\$24,205,092	\$23,316,316
1950-51	\$24,205,092	\$23,316,316
1951-52	\$24,205,092	\$23,316,316
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1953-54	\$24,205,092	\$23,316,316
1954-55	\$24,205,092	\$23,316,316
1955-56	\$24,205,092	\$23,316,316
1956-57	\$24,205,092	\$23,316,316
1957-58	\$24,205,092	\$23,316,316
1958-59	\$24,205,092	\$23,316,316
1959-60	\$24,205,092	\$23,316,316
1960-61	\$24,205,092	\$23,316,316
1961-62	\$24,205,092	\$23,316,316
1962-63	\$24,205,092	\$23,316,316
1963-64	\$24,205,092	\$23,316,316
1964-65	\$24,205,092	\$23,316,316
1965-66	\$24,205,092	\$23,316,316
1966-67	\$24,205,092	\$23,316,316
1967-68	\$24,205,092	\$23,316,316
1968-69	\$24,205,092	\$23,316,316
1969-70	\$24,205,092	\$23,316,316
1970-71	\$24,205,092	\$23,316,316
1971-72	\$24,205,092	\$23,316,316
1972-73	\$24,205,092	\$23,316,316
1973-74	\$24,205,092	\$23,316,316
1974-75	\$24,205,092	\$23,316,316
1975-76	\$24,205,092	\$23,316,316
1976-77	\$24,205,092	\$23,316,316
1977-78	\$24,205,092	\$23,316,316
1978-79	\$24,205,092	\$23,316,316
1979-80	\$24,205,092	\$23,316,316
1980-81	\$24,205,092	\$23,316,316
1981-82	\$24,205,092	\$23,316,316

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to their successors. There can be no doubt, however, that the Mackenzie Government were responsible for the whole of the expenditure of 1877-8, and the present Government for the whole expenditure of 1880-81. A comparison therefore based on the expenditure of the last full year of each should be fair and acceptable to all parties.

ure of Canada from page 18 of the

	1877-8.	1880-81.	Estimates 1882-3.
6	7,048,883	7,594,144	7,860,547
2	4,610,740	4,331,693	4,969,067
3	\$11,659,523	\$12,525,837	\$12,829,614
5	828,369	915,958	973,159
7	564,920	583,957	613,590
7	10,616	13,525	12,500
1	308,482	307,366	295,367
8	618,035	611,375	636,505
4	96,049	111,352	109,400
11	92,365	22,408	21,200
0	1,053	127,033	60,000
2	180,691	250,812	378,307
2	57,484	52,183	62,000
3	105,842	96,388	102,160
2	106,588	147,362	155,000
6	118,136	667,000	758,500
0	402,371	429,439	540,223
1	998,594	1,138,765	1,699,225
7	461,967	443,724	487,766
7	93,262	80,560	93,000
1	14,315	12,149	15,000
.	8,577	9,579	9,850
0	81,167	109,929	116,050
8	421,503	805,097	909,808
3	87,628	67,745	99,660
9	11,210		
9	384,748	289,845	413,000
1	43,905		
6	\$6,542,510	\$7,293,563	\$8,560,970
9	714,527	717,704	734,244
5	215,024	247,577	271,866
9	96,484	74,170	76,600
6	56,924	59,801	80,000
0	1,724,938	1,876,657	2,018,900
9	2,471,487	2,703,665	2,713,455
1	21,785	3,575	10,000
6	\$23,503,158	\$25,502,554	\$27,805,453

Let this contrast not be forgotten viz: at the controllable or "household" expenditure was reduced by the Mackenzie Government during their administration 1,781,566, and that the same expenditure was increased by the present Government \$741,053

Details of Controllable Expenditure.

Civil Government 1873....	\$883,685
" " 1878....	823,369
" " 1881....	915,958
Estimates, 1882-3.....	\$973,159

The item "Civil Government" includes the salaries paid to the Departmental officers and contingent expenses. It was argued against the Mackenzie Government that they increased the salaries and multiplied the officers far beyond the necessities of the service. The fact that a

The gross expenditure in 1878.....	\$30,113
" " 1881.....	58,690
Salaries paid Staff Officers 1878.....	13,946
" " 1881.....	30,571
Salaries paid Non-Commissioned Officers 1878.....	2,591
Salaries paid Non-Commissioned Officers 1881.....	5,579

The increases apparent from the statement given above are worthy of consideration.

Indian Grants.

The money under this head is voted to pay annuities to the Indians, and also such sums as may be considered necessary for their education or maintenance:

The expenditure in 1878 was.....	\$421,503
" " 1881 was.....	805,097
Estimates 1882-3.....	909,308

Here is an increase of nearly half a million dollars since the present party came into power, without any increase in the number of Indians receiving annuities.

Canals.

The management of our vast system of Canals requires the greatest care and economy. In 1878 the revenue of the entire canal system of Canada was \$378,248, and the expenditure on salaries, repairs, etc., \$346,996, leaving a net profit of \$31,252. In 1881, the revenue was \$369,597 and the expenditure \$374,788, showing a net loss of \$5,181. In three years these Public Works that were found to be reasonably productive rendered to charge upon the revenue by the improvident management of the Conservative Government.

Excise.

The expenses in this department are mainly for collecting the revenue from malt, spirits and tobacco.

Number of Officers, 1878.....	191
" " 1881.....	199
Salaries.....	\$174,272
" ".....	189,529

The whole expense of the excise Department was as follows:

1878.....	\$213,630
1881.....	233,430
Estimates, 1882-3.....	271,866

It is quite clear all desire to practice economy in this department is lost sight of, as there can be no justification for this great increase.

Post Office.

The expenditure under this head consists principally of two items—the salaries of Postmasters, Clerks, etc., and payments to railway companies, carriers and others for conveying Her Majesty's mails for the last full Reform year and 1881. The expenditure for the last was as follows:

Total 1878.....	\$1,724,935
" 1881.....	1,876,657
Estimates 1882-3.....	2,018,900

The expenditure for the conveyance of mails was as follows:

1878.....	\$1,048,718
1881.....	1,092,470
Increase.....	43,752
Salaries and other allowances 1878.....	912,606

Travelling Expenses of Reform Ministers to England.

A most remarkable circumstance connected with the expenditure of 1881 is that the large sums paid to Sir John Macdonald and Sir Charles Tupper are charged to capital account and actually taken out of the monies borrowed in England for the construction of the Pacific Railway.

We give a comparison of expenses:

REFORM MINISTERS.

1874-5 Sir Rich Cartwright....	\$ 1,023 84
" J. M. Courtney, Deputy Minister Finance.....	1,072 12
" Hon. A. Mackenzie....	1,966 32
1875-6 Sir Rich. Cartwright..	1,351 81
" Hon. E. Blake.....	760 00
" H. Kinloch, Private Secretary.....	659 66
1876-7 Sir Rich. Cartwright..	554 99
1877-8 Do do do...	603 91

Total..... \$ 7,992 15

CONSERVATIVE MINISTERS.

1878 Sir L. Tilley.....	\$ 867 97
1879 Sir Charles Tupper, including secretary..	2,483 33
" Sir L. Tilley, do....	2,141 33
" Sir John Macdonald....	2,524 87
1880 Hon. J. H. Pope....	888 88
" Sir John Macdonald and Col. Tannis..	826 53
1881 Sir John and associates in London, England.....	8,198 31
" do second payment....	1,361 12
" Sir Charles Tupper....	1,946 66
" do second payment....	1,000 00
1881-2 Sir John Macdonald..	2,049 05

Total..... \$19,237 55

It will be observed from the above table that pleasure trips for Ministers have recently become quite an item in the charges made upon the public Treasury. The amount paid to some of the Ministers is enormous. For instance Sir Leonard Tilley has drawn from the public treasury for trips to England the sum of \$8,009.30, besides the further sum of \$603.21 for himself and secretary for a trip to Washington in 1881.

SIR CHARLES TUPPER

during the last three years drew from the public treasury for trips to England the enormous sum of \$5,379.99. Besides this he drew \$1,600 for the expenses of his trip to British Columbia in the fall of 1881, and also charged to the country the sum of \$1,524.44 for the travelling expenses of two officers of his department who shared with him the pleasures of the trip. In addition to a departmental salary of \$7,000 per year, Sir Charles Tupper's travelling expenses has cost the country within a trifle of \$7,000.

SIR JOHN MACDONALD

has drawn from the public treasury since the 1st January, 1879, for travelling expenses, the sum of \$9,159 38, or over \$3,000 per year in addition to a departmental salary as First Minister of \$8,000. Contrast these expenditures with the economy practised under the late Government, and it will be found that Sir John Macdonald's pleasure trips alone cost the country more than all the travelling expenses of Ministers during the existence of the Reform administration.

Total expenses Reform Ministers (5 years).....	\$7,992 15
Total Conservative (8 years).....	19,237 55
Do Sir John Macdonald ..	9,159 38

calculation: The population of Canada in 1878 (see Sir Leonard Tilley's Budget Speech 1882) was 4,100,000; the population by the census of 1881 was 4,324,000. The revenue in 1878 from Customs, Excise and Stamps was \$17,841,938, and in 1881 \$23,942,128. Dividing the revenue in each case by the population gives the burden of taxation as \$4.85 per head in 1878 and \$5.54 in 1881; and in 1882-3, according to the estimates of Sir Leonard Tilley, \$5.68 per head. Here then is the secret of the boasted surplus—**additional taxation—an extra tax of \$1.33 per head, or an average of \$7.00 per family on the whole people of the Dominion.** For this great triumph of financial wisdom the people of Canada are asked to give a new lease of power to the greatest tax gathering and money spending Government that ever ruled this country.

History of Canadian Loans.

Prior to 1874 when Sir R. Cartwright negotiated his first loan no Canadian security had ever been floated at 4 per cent. without the guarantee of the British Government.

In 1874 Sir R. Cartwright succeeded in placing on the market a loan of \$4,000,000 sterling at 90.

In order to understand the difficulty to be surmounted in managing a matter of this kind it is necessary to bear in mind that the English Stock Exchange is always very much averse to allowing the rate of interest on foreign or colonial securities to be reduced, and that the influence of this body on English investors is so great that it requires a long time to sell any such security in small quantities if the Stock Exchange be unfavorably disposed.

Moreover, the great crash of 1873 had inflicted much loss on many holders of United States securities, and disinclined Englishmen generally to invest in any North American loan whether approved by Canada or the United States.

It was therefore a matter of much more than ordinary difficulty to float a new species of Canadian security on the London market, and the success of the new issue was regarded by the most competent authorities as somewhat remarkable under all the circumstances.

1875 LOAN.

The next loan of £2,500,000 issued in 1875. calls for no special comment, as £1,500,000 consisted of 4 per cent. guaranteed by the Imperial Government, and only £1,000,000 were Canadian securities.

1876 LOAN.

But in 1876 Sir R. Cartwright contracted a third loan of Canadian bonds, only for £2,500,000, which was sold at 91 per cent.

To the mode of placing this loan, as also that of 1874, upon the market, much objection was taken by Sir Charles Tupper and the then Opposition and other ignorant persons who seem probably to imagine that Canada was at either of those periods in a position to dictate terms to the English investing public.

TWO METHODS.

There are practically two methods in use for placing loans on the English market.

One of them is to give a minimum price and ask for tenders over such minimum.

The second is to have an absolute fixed price and to invite subscriptions to the loan.

Both systems are resorted to the latter

the officers far beyond the salaries of the service. The fact that amount paid under this head increased from \$883,685 in 1873 to \$3,369 in 1878, is a sufficient answer to his charge—and the other fact, that in 1878 the expenditure under this head has risen to \$915,958 in 1881, with a demand in the estimates for 1882-3 of 3,159, proves beyond doubt that the policy practised by the late government is not respected now.

The following table will show the number of officers and the salaries paid in 18 and 1881 respectively:

NO OF EMPLOYEES	SALARIES	
	1878	1881.
17	\$14,860	\$19,451
39	37,655	37,592
59	44,380	63,515
25	31,360	30,871
30	28,571	32,025
49	44,325	65,722
28	37,301	35,443
18	14,200	14,616
140	90,704	110,990
6	9,417	9,875
48	74,235	68,118
	19,852	
23		21,761
30	36,133	33,660
25	27,897	30,597
537	510,925	574,240

allowance of the retired officer, and the salary of the person who takes his place. The expenditure under this head

In 1878.....\$106,588
In 1881.....147,362
Estimates 1882-3 \$155,000.

he reckless manner in which the expenditure is increasing is shown by the wing statement of the numbers retired and the allowance made in 1878 and 1881 respectively:

No of persons superannuated 1878 38
" " " " 1881 70
Allowance made in 1878.....\$16,667 33
" " " " 1881.....29,927 34

Militia.

Under this head sums of money are expended to keep up drill-sheds, ordnance, property, staff officers, and last, but not least, to pay for maintaining the efficiency of the volunteer force. There can be doubts as to the propriety of so large an expenditure each year as Parliament recommends, particularly as there is probability of any disturbance with our borders near or remote. It is to be noted, however, that when the Government is adding largely to militia expenses, but a very small portion of the expense goes to the volunteer force, on the other hand, when the Government is zealous and enthusiastic in the value of the militia to the country mainly depends, it is the statement of expenses:

Militia, 1878.....\$18,136
" " " " 1881.....667 000
Estimates, 1882-3.....758 500
Amount paid volunteers, 1878.....154 005
" " " " 1881.....167,125

Here we have an increase of nearly \$100,000 in the expense of the militia, of which only \$3,120 went to the volunteers, who at much inconvenience and personal discomfort, left their homes to serve themselves for the service of their country. This certainly is not doing them justice, nor does it show a prudent expenditure of the public funds.

Military College.

This college was established in 1875 with a view to train young men in military discipline in the highest department of the war. The object of the college is to train the most alarming extravagance in its management.

Salaries and other allowances	
1878.....	\$12,600
Salaries and other allowances	1881.....1,023,394
Increase.....	110,788

But it may be said that the large increase in the expenditure in this department was owing to the mail facilities afforded to the people in the North West. The following statement will destroy for ever such a plea:

Revenue from Manitoba and North West	
1878.....	\$14,407
Revenue from Manitoba and North West	
1881.....	38,780
Expenditure 1878.....	
1881.....	56,018

This shows that only \$24,693 additional expense out of a total increase of over \$150,000 is chargeable to Manitoba and the North West.

EXTRAVAGANCE.

The foregoing facts, all of them capable of verification and all taken from the public accounts, show conclusively the extravagance of the present Government. The promises made in 1878 led many to forget party lines. The Conservative leaders gave the country the strongest assurances that the most rigid economy would be practised. Now, when these promises are examined with the evidences of their extravagance patent on every page of the Public Accounts, there can be but one opinion as to the propriety of dismissing them from office so soon as the opportunity is afforded, for how can confidence be placed in men incapable of fulfilling any promise or redeeming any pledge.

Ministerial Junketings.

The departmental waste already referred to is not the only way in which the present Government find it convenient to waste the public funds. Take the travelling expenses of Ministers on public business in Canada:

1878.	
Hon. E. Blake.....	\$ 48 00
Hon. A. Lafontaine.....	297 00
Hon. H. B. Vail.....	218 70
Sir Richard J. Cartwright.....	118 00
Sir Albert Smith.....	135 00
Hon. J. Burpee.....	500 00
Hon. Mr. Cauchon.....	300 00
Hon. Mr. Pelletier.....	80 50
Hon. L. S. Huntingdon.....	363 00
Total.....	\$2000.20

1881.

Hon. Mr. Monseau.....	\$634 50
Hon. J. O'Connor.....	31 25
Sir John A. Macdonald.....	466 50
Sir A. Campbell.....	249 10
Sir H. Langevin.....	85 85
Sir Leonard P. Caron.....	504 00
Sir Leonard Tilley.....	464 00
Hon. M. Bowell.....	205 00
Hon. A. G. Baby.....	399 58
Hon. J. C. Pope.....	655 00
Total.....	\$3,694 75

Besides these expenses for travelling on the public service at home we have large bills for trips to England. There can be no objection to this expenditure when public necessities require it. The country was assured, however, that when Sir A. T. Galt was appointed Commissioner at London, England, that the expensive trips of Canadian Ministers would be obviated. The following facts from returns (Session Papers, 1881, and 1882) show the extent to which this promise has been fulfilled:

Total Conservative (8 years).....	19,237 55
Do Sir John Macdonald.....	9,159 38

SIR A. T. GALT.

The following statement shows the amount of money paid to Sir A. T. Galt, as High Commissioner; also the amount paid for rent and outfit of his residence in London; also amount paid for travelling expenses for himself and associates in the service of the Government since 1st July, 1878:

1878-79.	
Bank of Montreal, expenses of Sir A. T. Galt and Lt.-Col. Bernard.....	\$5,093 05
Services as Commissioner, five and a half months.....	8,208 33
Lieut.-Col. Bernard, services as Assistant Commissioner, three and a half months.....	933 33
1879-80.	
Salary, 1st March, to 10th June, 1880, at \$10,000 per annum.....	3,333 33
Passage for self and family to England, including expenses during detention at Halifax.....	946 32
House furnishing and establishment of London office.....	1,259 85
Rent.....	711 61
Exchange on draft.....	22 22

1880-81.	
Salary.....	10,000 00
Other expenses—Rent, fuel, travelling expenses, etc.....	5,294 07
Services and expenses connected with trade negotiations with France and Spain in 1879-80.....	4,058 32
1881-82.	
Payment on account of salary.....	6,833 30
Contingencies.....	3,919 04

Surplus vs. Deficit.

The following table shows the surplus vs. deficit of the Dominion since 1873:

	DEFICIT.	
	SURPLUS.	DEFICIT.
1873-4	\$24,205,092	\$23,316,316
1874-5	24,648,715	23,713,071
1875-6	25,587,587	24,488,372
1876-7	22,059,274	23,519,301
1877-8	23,375,011	23,508,158
1878-9	22,517,382	24,465,381
1879-80	23,307,406	24,850,634
1880-81	29,635,297	25,502,554
		4,132,743

The Revenue is made up principally of customs, excise and stamps, and these are considered as the only charge imposed upon the country by the government. To make the revenue and expenditure balance each other one of two things is necessary, either to reduce the expenditure or increase the revenue. It will be seen that the present Government, instead of reducing, has largely increased expenditure, and so the whole process by which a deficit of over a million in 1878 was turned into a surplus in 1881 was simply an increase of taxation. If the expenditure in 1881 remained as it was when the Liberals retired from office the surplus would be over six millions, so that six million dollars have been unnecessarily taken out of the pockets of the people, of which two million dollars have been already spent for the ordinary purposes of the Government over and above what the Liberals required in 1878. To show what this burden amounts to take the following

price and to invite subscriptions to the loan.

Both systems are resorted to, the latter, however, being much the most frequent.

Practically, the question always is what is the position of the money market, and can the borrower afford to risk having to withdraw his loan.

If money be very abundant and consequently cheap, and if the borrower does not care whether the loan is a failure, the first time it is offered or not, he may adopt the first plan, though even in that case many experienced persons assert that money is usually lost by the necessity of placing the minimum a little lower in this case than would be done if the price was absolutely fixed.

If, on the other hand, money is not very plentiful or if the market is likely to be disturbed by political or other causes all authorities are agreed that it is wise to name an absolute fixed price, and that loans so fixed are much more easy of sale which is confirmed by the fact that no less than sixteen loans by various countries for the sum of \$1,400,000,000 were thus disposed of between the years 1871 and 1876.

Both in 1874 and in 1876 those conditions existed. In 1874 it would have been the very acme of imprudence to have permitted the chance of introducing a totally new security by asking for tenders which certainly could not have been got.

In 1876 so critical was the position in Europe, that within 48 hours after the loan was successfully negotiated, there was great danger of war between England and Russia, and it would then have been utterly impossible to have floated such a loan on equally good terms, if at all.

PRICE GOT.

As to the assertion that the price obtained was less than might have been got, this appears to be based on one or two stray questions of the sale of small quantities of bonds late in October, 1876.

The parties who made such assertions were utterly ignorant of two very obvious facts.

1.—That in all large transactions the price by wholesale is necessarily and inevitably lower than the price by retail.

2.—That apart from this the special quotations on which they rely were wholly unreliable, being created not by any regular demand in the market for Canadian securities but simply by the fact that the agents of the Canadian Government were just then making their usual half yearly purchases on Sinking Fund account.

Such a purchase, it is quite obvious, is utterly worthless as a means of testing the true value of a large quantity of stock suddenly placed on the market.

TRUE TEST OF PRICES.

This is best obtained by comparing prices for which other nations of fully as good standing were able to procure money at the same dates or by comparing the prices of their securities at the time. Applying this test, the great success of the loans of 1874 and 1876, are at once apparent.

In June, 1874, when Canadian 4 p. c. were sold at 90.

U. S. 6 p. c. of 1887 were 108.

U. S. 5 p. c. of 1904 were 105.

Imp. Guar. 4 p. c. were 103½.

In November, 1876, when Canadian 4 p. c. were sold at 91.

U. S. 4½ p. c. were sold by retail on the market at 101.

Norwegian 4½ p. c. sold at 96½.

Swedish 4½ p. c. sold at 96½.

Canada in all these cases doing better than any other State above named.

OPINION OF DISTINGUISHED JUDGES.

No man in Canada is better able to judge of the merits of those transactions than Sir Francis Hincks, and he cannot be suspected of any undue partiality to Sir R. Cartwright, at all events.

We append his opinion.

In the Journal of Commerce of July 25th, 1879, he says:

"Sir Leonard Tilley was compelled by the action of his party in Parliament to insist on tenders, and so the plan was adopted of insisting them with a published minimum rate. The idea that the minimum price fixed was so high as to have caused some to doubt the success of the negotiation is altogether erroneous. Sir Richard Cartwright's fixed price was quite as high, having reference to market rates, as that recently fixed."

VERY SILLY ATTACK.

By way of illustrating the absurd length to which party spite can be carried, we also give Sir C. Tupper's criticism(?) on the loan of 1874 and 1876.

On the 28th day of February, 1881, Sir Charles Tupper stated from his place in Parliament that Sir Richard Cartwright "had sold these debentures to his friends, and had enabled them to stand to-day in the position of being richer to the extent of \$4,745,000 than they would have been before making the hon. gentleman's acquaintance."

Here that worthy person absolutely charges the late Finance Minister with having put \$4,745,000, into the pockets of the purchaser of the loan of 1874, because in 1882, the price of this loan is 104 or 105! Is Sir Charles Tupper so great an ignoramus as not to know that the price of money has fallen probably 30 p. c. all the world over in those eight years? Does he not know that there is not a single really first-class security in England or the United States which has not increased or lowered in value between those dates? Was he so preternaturally stupid as not to see that this was a direct attack on the honesty of his own colleague, Sir L. Tilley? If Sir Richard Cartwright had practically given away £600,000 to certain parties because eight years ago he sold a loan for 90, which is now worth 105. What is to be said of Sir L. Tilley who, 3 years ago, in 1878-79, sold a loan partly guaranteed by Great Britain, at an average of 95, which is now worth an average of 109. Thereby, according to the logic and argument of Sir C. Tupper, putting in three years £300,000, or \$1,500,000, in a much smaller time, into the pockets of Sir L. Tilley's particular friends. Or what shall we say to the conduct of the Government, who, if they suspect Baring & Glyn's of being guilty of such frauds, come down and ask the House to make Baring & Glyn's absolute agents for Canada for ten years. To put matters briefly: The result of the loans of 1874, 1875, and 1876, was shortly this: That during a very critical period, when money was not very plentiful, or very easily got, a very large sum of money was obtained from Canada on very much better terms than was before.

That matters were put in such a position that Canadian securities have since risen largely in value, and that now loans can be made with much greater ease, and, lastly in spite of great commercial depression in Canada and elsewhere, the credit of Canada was kept steadily improving in the London Stock Exchange, from first to last.

COMPARISON.

If any person choose to institute a fair comparison between the Macdonald and Mackenzie Administration, in periods of similar duration, and under similar

000; 703 miles railway built; and handed over to the Syndicate, composed of following sections: Pembina Branch, 85 miles, cost \$1,556,900; Thunder Bay Division, Fort William to Selkirk, 406 miles, cost \$14,670,000; Kamloops to Emory Bar, 127 miles, cost \$8,431,800; Emory Bar to Port Moody, 85 miles, cost \$2,486,255; allowance for miscellaneous payments and engineering work (see return No. 23, Sessional Papers, vol. 14, 1880-81, \$902,000;—total (c) ... 32,165,975

(d) Exemption from duty on rails, cars, engines, lumber, wire and all material (estimated) 5,000,000

(e) Exemption from tax on land grant for 20 years (estimated), \$5,000,000; and on road and capital forever (estimate capitalized), \$7,250,000 12,250,000

Total \$149,415,975

(f) Transportation monopoly of the North West for 20 years (see Contract, section 15), value unknown, but greater than the cash bonus at least.

4th. For this vast amount of Government aid, amounting, without any reference to the three last mentioned forms of subsidy, to \$182,165,975, the Syndicate are to build 2,000 miles of railway, which is estimated by Sandford Fleming, Government Engineer, to cost \$48,500,000 (see Sessional Papers 1880, No. 133, p. 555), and which will be their own property; in other words, the Government gives the Syndicate the money and land to pay for building 2,000 miles of road for itself, and then presents it with land and completed railway worth \$83,665,000 more, freedom from duty on all material forever, freedom from taxation on lands and capital, and a transportation monopoly to enable the Company to exact unjust charges from the settlers of the North West for the next 20 years.

5th. When an offer was subsequently received to build the road for \$3,000,000 less bonus, for 3,000,000 acres less land grant and other important concessions worth many millions to the country, the Government party refused to entertain it, although the second Syndicate possessed more financial weight than the first Syndicate, and put up \$396,000 more than the sum of \$1,000,000 required by the Act as security. In justification of this betrayal of the public by refusing a better offer the absurd allegation was made that the offer was a bogus one.

6th. The inference may fairly be drawn that, if an offer so much better than the terms accorded to the Syndicate was voluntarily made, that still better offers could have been secured had the law been complied with and tenders advertised for.

7th. The offer of the second Syndicate, which was bona fide, was backed by an actual cash deposit of \$1,396,000, and would have been carried out if accepted. Viewed upon the basis of cost and advantage to the country, it was better than the offer of the present Syndicate in the following particulars and amounts:

(a) Less cash \$3,000,000
(b) Less land 3,000,000 acres, worth, at \$3 per acre 9,000,000
(c) No exemption from duty on material for all time to come 5,000,000
(d) No exemption from taxation on land, road or capital

Government land in the Railway belt from homestead settlement and pre-emption entries. This is done to enable the Syndicate more readily and rapidly to sell their own lands.

It will thus be seen that this huge American corporation which has received money and aid in various forms from the Government as the agent of the people of Canada, to an extent from two to three times greater than the entire amount it will expend for its own benefit, possesses already a power that enables it to make use of the Government as its tool, and through the implicit obedience of this tool is able with a cool contempt and disregard of popular rights to set aside the acts of legislatures, to defy the wishes of the people of Provinces, and within an extensive region of country to deprive the settler of the right to homestead which the law of Canada gives to him.

Public Works Maladministration—The Murray-Oakes Case—The Government takes a Case out of Court for obvious reasons.

In order to afford the Government and the public purse protection against scheming contractors, the Mackenzie Administration provided that a deposit of money should accompany the lodgment of tenders for public works, and that in addition to personal sureties a deposit of cash should be lodged with the Government for the due fulfillment of the contract. In addition to this the Petition of Right Act was passed by which a contractor who considered himself aggrieved could bring his case before the Exchequer Court in order to establish his claims, thus securing at once justice to contractors and protection to the country against unjust settlements by arbitrators or secured by influences to which a minister might be subjected.

The provisions of this last Act proved most useful in 1877 and 1878 in respect to some contractors' claims on the Intercolonial Railway. One heavy case, that of Boggs & Murray contractors on this railway, section 19, was in progress when the change of government took place. These contractors had a contract assigned them for the construction of a section of the railway including the bridge over the Restigouche river for \$395,733. The Bridge building was subsequently taken out of this contract on an arranged sum of \$116,000 thus leaving the net amount of the contract \$279,734. The contractors made a claim for \$490,007, and engaged the Hon. John O'Connor, present Postmaster-General, and G. J. O'Doherty as their counsel. Mr. Schrieber, Chief Engineer of the Intercolonial reported that \$293,344.80 had been paid the contractors—that extra work had been done to the extent of \$7,682.00 had been done and that work which was embraced in the original contract had been undone or dispensed with to the amount of \$7,385.69. The account, therefore, stood according to Mr. Schrieber and Mr. Brydges:

To amount of original contract	\$395,733 00
To amount of extra work	7,682 00
	\$403,415 00
Less bridge contract as above	\$116,000 00
Less paid on contract	293,344 80
Less work not done as above	6,385 40
	\$115,730 20
Amount overpaid when action was brought	\$12,315 20
Mr. Brydges' further claims for work undone additional	2,440 50
Total amount overpaid to	

possibly \$65,755.70. Dr. Tupper on January 28th actually advanced to Mr. John Murray \$650, "the same to be deducted from the amount to be awarded him by the Referee."

This action shows conclusively that Dr. Tupper, as Minister of Public Works, had prejudged the case, and was violating his oath of office by deliberately paying the public money to partisan contractors where he knew such contractors were indebted to the Government.

The Referee, being thus informed of the obvious intentions of Dr. Tupper, proceeded in the most remarkable manner to his work. He first called the contractors' engineer, but never summoned Mr. Sandford Fleming, Mr. Brydges, Mr. Schrieber or the late Minister of Public Works, Mr. Mackenzie, or his Deputy. With such evidence in a few days he reached the conclusion that, instead of the contractor owing the Government, the Government owed the contractor \$79,900 and interest, and also \$877.00 to pay his expenses.

The actual amount paid was \$101,047, where there was every reason to believe the contractors were overpaid before the action was commenced. To accomplish this it was necessary to get the case out of the hands of the Court and commit it to such an Arbitrator as Mr. Samuel Keefer, who avoided all the material evidence that could be produced, and pressed the case to a conclusion on one-sided evidence.

SECTION A & B SCANDAL.

A very grave case of manipulating tenders in connection with the money deposit security, to suit the Minister and favor certain contractors is to be found in the letting of contracts between English River and Keewatin.

This part of the Railway was let in three sections:

Section A, extending from English River to Eagle River	118 miles.
Section B, extending from Eagle River to Keewatin	67 miles.
Section C, embracing both in one contract	185 miles.

Parties tendering were required to fill in two columns. The 1st column to finish work in July, 1883. The 2nd column to finish work in July, 1882.

The lowest tender for the entire work was from Morse & Co., as per column 1st \$5,699,707
Morse & Co., as per column 2nd 5,987,732

The second was from Andrews, Jones and Company for the whole work, as per column 2nd 6,062,559

These tenders appear to have been all passed over without any reason, and the following were accepted:—

Marks & Co., Section A, for the sum of	\$2,203,896
Fraser, Grant & Pittblado, Section B, for the sum of	4,130,707
	\$6,334,603

Morse & Co.'s lowest tender being as above

5,699,707

Amount lost by not accepting lowest tender

\$ 634,896

Amount lost by not accepting Morse & Co.'s tender per column 2nd

\$ 396,871

Assuming there was some objection to Morse & Co.'s tenders, there remains Andrews, Jones & Co.'s, whose tender was as above, \$6,062,559. Amount lost by not accepting Andrews, Jones & Co.'s tender was \$272,044. Morse & Co. tendered also for Section B for the sum of \$3,364,336, but were induced by representations from the Department of Public Works to withdraw this offer.

Upon the withdrawal of Morse & Co.'s

the pockets of the purchaser of the loan of 1874, because in 1882 the price of this loan is 104 or 105? Is Sir Charles Tupper so great an ignoramus as not to know that the price of money has fallen probably 30 p. c. all the world over in those eight years? Does he not know that there is not a single really first-class security in England or the United States which has not increased or lowered in value between those dates? Was he so preternaturally stupid as not to see that this was a direct attack on the honesty of his own colleague, Sir L. Tilley? If Sir Richard Cartwright had practically given away £600,000 to certain parties because eight years ago he sold a loan for 90, which is now worth 105. What is to be said of Sir L. Tilley who, 3 years ago, in 1878-79, sold a loan partly guaranteed by Great Britain, at an average of 95, which is now worth an average of 109. Thereby, according to the logic and argument of Sir C. Tupper, putting in three years £800,000, or \$1,500,000, in a much smaller time, into the pockets of Sir L. Tilley's particular friends. Or what shall we say to the conduct of the Government, who, if they suspect Baring & Glynn's of being guilty of such frauds, come down and ask the House to make Baring & Glynn's absolute agents for Canada for ten years. To put matters briefly: The result of the loans of 1874, 1875, and 1876, was shortly this: That during a very critical period, when money was not very plentiful, or very easily got, a very large sum of money was obtained from Canada on very much better terms than was before.

That matters were put in such a position that Canadian securities have since risen largely in value, and that now loans can be made with much greater ease, and, lastly in spite of great commercial depression in Canada and elsewhere, the credit of Canada was kept steadily improving in the London Stock Exchange, from first to last.

COMPARISON.

If any person choose to institute a fair comparison between the Macdonald and Mackenzie Administration, in periods of similar difficulty and depression, we recommend them to look at the quotations of Canadian securities in 1867 and in 1877, and to read attentively the famous speech of Sir A. T. Galt, in 1866, in which as an excuse for seizing half the gold in the Banks for Government uses, he declared in the House of Commons that he could not sell Canadian 5 per cent bonds in London at 75 cents in the dollar, and that he had tried unsuccessfully to borrow money for immediate wants in London on the security of the Canadian Government at 8 per cent per annum.

PACIFIC RAILWAY Syndicate Contract.

The Giant among Swindles.

It may with perfect safety be asserted that, when time shall fully develop the nature of the transaction—the contract with the Pacific Railway Syndicate, entered into by the Government October 22, 1880, and ratified by the House of Commons in its final vote on the main resolution, January 27, 1881—will be pronounced by all competent judges to be the most disastrous public contract and the greatest railway swindle of the nineteenth century. It is desirable and proper to again call the attention of the people of Canada to some of its points as briefly as possible, and attention is directed to the following leading facts:

1st. The contract was made secretly, without advertising for tenders, and in violation of law. By the Public Works Act, 1867, 31 Vic., chap 12, sect. 20, it is

enrment Engineer, to cost \$48,500,000 (see Sessional Papers 1880, No. 133, p. 555), and which will be their own property; in other words, the Government gives the Syndicate the money and land to pay for building 2,000 miles of road for itself, and then presents it with land and completed railway worth \$83,665,000 more, freedom from duty on all material forever, freedom from taxation on lands and capital, and a transportation monopoly to enable the Company to exact unjust charges from the settlers of the North West for the next 20 years.

5th. When an offer was subsequently received to build the road for \$3,000,000 less bonus, for 3,000,000 acres less land grant and other important concessions worth many millions to the country, the Government party refused to entertain it, although the second Syndicate possessed more financial weight than the first Syndicate, and put up \$396,000 more than the sum of \$1,000,000 required by the Act as security. In justification of this betrayal of the public by refusing a better offer the absurd allegation was made that the offer was a bogus one.

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- (a) Less cash \$3,000,000
- (b) Less land 3,000,000 acres, worth, at \$3 per acre..... 9,000,000
- (c) No exemption from duty on material for all time to come..... 3,000,000
- (d) No exemption from taxation on land, road or capital..... 12,250,000

Direct cash advantage..... \$29,250,000

- (e) No transportation monopoly, an advantage to the North West of untold value.
- (f) Canadian control secured.
- (g) Right of the Government to purchase at any time on fair terms.

8th. The stupendous character of the advantages secured by the Syndicate are only beginning to be understood. It is building its road through the prairie section so far mainly with the proceeds of sales of town lots. Its land grant, selected in the fertile belt, is of as great value as the entire grant contemplated by either the Allan Contract or the Railway Act of 1874, located, as those grants would have been, in a large degree, in British Columbia and east of the Red River, where the lands are worthless. Its grants from the Government in the various forms above named will prove to be at least three times as great in value as the cost of the road it is to build. It will, by the use of the people's money, blindly bestowed upon it by an infatuated Government, become a railway monopoly controlling almost the entire railway system of the Dominion, and with powers so vast as to endanger the institutions of the country; and it is an American corporation, with its headquarters at St. Paul, and prosecuting its operations with the aid of an American Superintendent, American engineers and American contractors.

9th. The Government of the day, having given to the Syndicate the enormous grants and advantages above enumerated, at the expense, and to the

Court in order to establish their claims, thus securing at once justice to contractors and protection to the country against unjust settlements by arbitrators or secured by influences to which a minister might be subjected.

The provisions of this last Act proved most useful in 1877 and 1878 in respect to some contractors' claims on the Intercolonial Railway. One heavy case, that of Boggis & Murray contractors on this railway, section 19, was in progress when the change of government took place. These contractors had a contract assigned them for the construction of a section of the railway including the bridge over the Restigouche river for \$395,733. The Bridge building was subsequently taken out of this contract on an arranged sum of \$116,000 thus leaving the net amount of the contract \$279,734. The contractors made a claim for \$490,007, and engaged the Hon. John O'Connor, present Postmaster-General, and G. J. O'Doherty as their counsel. Mr. Schrieber, Chief Engineer of the Intercolonial reported that \$293,344.80 had been paid the contractors—that extra work had been done to the extent of \$7,682.00 had been done and that work which was embraced in the original contract had been undone or dispensed with to the amount of \$7,385.69. The account, therefore, stood according to Mr. Schrieber and Mr. Brydges:

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	<hr/>
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Less bridge contract as above.....	\$116,000 00
Less paid on contract.....	293,344 80
Less work not done as above.....	6,385 40
	<hr/>
	\$415,730 20
Amount overpaid when action was brought.....	\$12,315 20
Mr. Brydges further claims for work undone additional.....	2,440 50
	<hr/>
Total amount overpaid to contractors.....	\$14,755 70
The Attorney-General in his reply for defence alleged that the said contract sum of \$279,733 was to be further diminished by \$51,000 paid on same section to Tuck, the first contractor. No judgment was obtained on this point by reason of the action of the Government in taking the case out of Court. If, however, this claim was right, it would have the effect of adding to the overpayment.....	51,000 00
	<hr/>
Making it in all.....	\$65,755 70

Added to this there was a penalty of \$2,000 a week for each and every week during which the contract remained unfinished after July 1st, 1872, or about \$80,000 in all. On this point, also, no judgment was obtained, by reason of the action of the Government in taking the case out of Court.

The original contract was signed on June 15th, 1870. The suit was commenced on January 26th, 1876, by the filing of the petition. The fiat of His Excellency was issued or endorsed on the petition on May 19th, 1876.

Judge Fournier delivered an interlocutory judgment on the 22nd day of June, 1878, which only decided, as the Deputy Minister of Justice put it in his report:

"That changes had taken place in the 'grade and lines of location, which entitled the contractor to a decision by the commissioners (or the ministers) as to whether such changes subjected the contractor to a deduction for diminution of

favour certain contractors is to be found in the letting of contracts between English River and Keewatin.

This part of the Railway was let in three sections:

Section A, extending from English River to Eagle River.....	118 mile
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Parties tendering were required to furnish two columns. The 1st column finish work in July, 1883. The 2nd column to finish work in July, 1882.	
The lowest tender for the entire work was from Morse & Co., as per column 1st.....	\$5,699,70
Morse & Co., as per column 2nd.....	5,987,70
The second was from Andrews, Jones and Company for the whole work, as per column 2nd.....	6,062,50
These tenders appear to have been passed over without any reason, and the following were accepted:—	
Marks & Co., Section A, for the sum of.....	\$2,203,80
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	<hr/>
	\$6,334,60

Morse & Co.'s lowest tender being as above.....	5,699,70
Amount lost by not accepting lowest tender.....	\$ 634,80
Amount lost by not accepting Morse & Co.'s tender per column 2nd.....	\$ 396,80

Assuming there was some objection Morse & Co.'s tenders, there remained Andrews, Jones & Co.'s, whose tender was as above, \$6,062,559. Amount lost by not accepting Andrews, Jones & Co. tender was \$272,044. Morse & Co. tendered also for Section B for the sum \$3,364,336, but were induced by representations from the Department of Public Works to withdraw this offer.

Upon the withdrawal of Morse & Co. tender for Section B, Andrews, Jones & Co.'s tender became the lowest. On 26th of February, 1879, the Hon. Charles Tupper notified the firm that their tender would be accepted, but requiring them to make the deposit of 5 per cent. on the amount of tender (\$3,915,942) on "Saturday next," that is on March 1st, or the days from the notification. The firm the same day applied for an extension "two or three days," but this was refused by the Minister. It may be noticed that one week was given to Marks & Co. to deposit the money security for Section A, while the other firm, whom it would appear was resolved to rule out, only had three days.

On the appointed day, March 1st Andrews & Co. had deposited \$48,900 and on the 8rd of March another sum \$48,950 was deposited. There was, therefore no reasonable doubt that, after such a large amount was deposited on March 1st, the whole sum would be made good. The second deposit on the 3rd of March similar amount made it still more certain. Yet the Minister of Public Works on 5th of March recommended to council acceptance of the tender of Fraser, Grant & Pitblado for \$4,130,707 instead of Andrews, Jones & Co. for \$3,915,900 and the contract was accordingly awarded to this favorite set of contractors, causing a direct loss on the difference of tender of \$214,765.

This sum, large as it is, does not represent all the loss. Andrews, Jones & Co. tendered for column 2, in other words to complete the work in 1882, while Fraser & Co.'s tender was to complete in 1883.

A year less to work in necessarily cost much more to push the work. The tenders put in averaged a sum of \$38,252 more to complete in the short time

speech of Sir A. T. Galt, in 1866, in which as an excuse for seizing half the gold in the Banks for Government uses, he declared in the House of Commons that he could not sell Canadian 5 per cent bonds in London at 75 cents in the dollar, and that he had tried unsuccessfully to borrow money for immediate wants in London on the security of the Canadian Government at 8 per cent per annum.

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1st. The contract was made secretly, without advertising for tenders, and in violation of law. By the Public Works Act, 1867, 31 Vic., chap 12, sect. 20, it is provided as follows:

"It shall be the duty of the Minister to invite tenders by public advertisement for the execution of all works except in cases of pressing emergency, where delay would be injurious to the public interests, or where, from the nature of the work, it could be more expeditiously and economically executed by the officers and servants of the Department."

And again in the Canadian Railway Act, 1874, chap. 14, sect. 8, sub-sect. 1, it is enacted as follows:

"That the works on any section or subsection of the said railway shall not be given out to any contractor or contractors except after tenders shall have been obtained for the same."

The Public Works Act of 1867 and the Railway Act of 1874 were unbreached when the contract was secretly made, and consequently it was made in violation of law.

2nd. The Government require of the Syndicate only an inferior, second-class road, while both the Allan Contract of 1872 and the Railway Act of 1874 required a first-class road, which would cost at least twenty-five per cent. more than the road which the Syndicate are permitted to build.

3rd. The Government grants to the Syndicate monies, lands, exemptions and privileges vastly in excess of the amounts really required. While the Allan Contract and the Act of 1874 provided for subsidy in money and land only, the Syndicate contract provides for subsidy in six distinct forms, as follows, viz.:

- (a) Cash \$25,000,000
- (b) Land, 25,000,000 acres, selected in the fertile belt, and worth, as per the estimate of Sir John A. Macdonald in the value of all lands situated within 90 miles of the railway (see Hansard, 1880, vol. 1, page 1056), \$3 per acre..... 75,000,000
- (c) Work performed upon the railway and handed over for benefit of the Syndicate, as follows, viz.: surveys of the line, \$3,119,

poly, an advantage to the North West of untold value.

- (f) Canadian control secured.
- (g) Right of the Government to purchase at any time on fair terms.

8th. The stupendous character of the advantages secured by the Syndicate are only beginning to be understood. It is building its road through the prairie section so far mainly with the proceeds of sales of town lots. Its land grant, selected in the fertile belt, is of as great value as the entire grant contemplated by either the Allan Contract or the Railway Act of 1874, located, as those grants would have been, in a large degree, in British Columbia and east of the Red River, where the lands are worthless. Its grants from the Government in the various forms above named will prove to be at least three times as great in value as the cost of the road it is to build. It will, by the use of the people's money, blindly bestowed upon it by an infatuated Government, become a railway monopoly controlling almost the entire railway system of the Dominion, and with powers so vast as to endanger the institutions of the country; and it is an American corporation, with its headquarters at St. Paul, and prosecuting its operations with the aid of an American Superintendent, American engineers and American contractors.

9th. The Government of the day, having given to the Syndicate the enormous grants and advantages above enumerated, at the expense, and to the lasting injury, of the people of Canada, now clearly manifest a purpose, where the interests of the Syndicate and the interests and the interests of the people of the North West and of Canada clash, to aid the Syndicate in every possible manner. The people of Manitoba, disliking the prospect of having the trade of their Province and the country to the west of it made tributary to the irresponsible and extortionate exactions of one great corporation, sought relief from this bondage and access to a competing route by means of the Manitoba and South Eastern Railway, which would have crossed the boundary line at Emerson, and formed a connection with an air line to Duluth. By means of this proposed line a second railway outlet for the North West would have been secured; competition for the business of the country established, to the great advantage of its farmers and business men, and the grinding monopoly of the Syndicate effectually broken. The charter for the road was duly granted by the Manitoba Legislature, and a remedy for the great outrage perpetrated by the monopoly clause of the Syndicate contract seemed about to be applied. But the Syndicate speedily proved that their power exceeds that of the Legislature of Manitoba, for at their command the Government at Ottawa disallowed the charter, and thereby denied to the people of Manitoba and the entire North West all right to secure increased railway facilities and relief from unjust charges. To those who understand the great advantage resulting to a country from competition of rival railway lines the extreme injustice of the Government to the people of the North West in the matter of the disallowance of the South Eastern charter will be sufficiently apparent without comment.

During the present session of Parliament a charter has been refused by the Government to a projected road from Thunder Bay to Duluth on the express ground that it would be a competing line with the Canada Pacific, thus again proving that the Government of Canada is the tool of the Syndicate and not the guardian and upholder of popular rights and the people's interests.

Quite recently the Minister of the Interior has issued an order withholding

of \$279,743 was to be further diminished by \$51,000 paid on same section to Tuck, the first contractor. No judgment was obtained on this point by reason of the action of the Government in taking the case out of Court. If, however, this claim was right, it would have the effect of adding to the overpayment 51,000 00

Making it in all..... \$65,755 70

Added to this there was a penalty of \$2,000 a week for each and every week during which the contract remained unfinished after July 1st, 1872, or about \$80,000 in all. On this point, also, no judgment was obtained, by reason of the action of the Government in taking the case out of Court.

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Judge Fournier delivered an interlocutory judgment on the 22nd day of June, 1878, which only decided, as the Deputy Minister of Justice put it in his report:

"That changes had taken place in the grade and lines of location, which entitled the contractor to a decision by the commissioners (or the ministers) as to whether such changes subjected the contractor to a deduction for diminution of work or entitled him to an allowance for increased work."

The judge himself says: "As the judgment I am about to deliver is an interlocutory judgment, I will only refer to such proceedings, and to such facts of the case as are in my opinion necessary to support the conclusion I have thought proper to arrive at. * * * I consider it my duty, reserving to myself the right of adjudging afterwards on the merits of the case, to order that this case be referred to the Registrar of the Court to obtain such legal evidence as can be adduced by the parties, for the purpose of getting the number and quantity of alterations of the location and of the grade which either increased or diminished * * * the work under contract, and of ascertaining the value of such increase or diminution, and the balance which may be due to either party after these operations."

"This judgment, then, was wholly for the purpose of obtaining facts for a judgment on the merits of the case."

The next appearance is that of Mr. Oakes, for the contractors, asking the government to withdraw the case from court and settle it in the old fashion. On December 19th, 1878, a few weeks after Dr. Tupper was sworn in as Minister of Public Works, he directed the secretary of the Public Works Department to ask the Deputy Minister of Justice, if it would be competent for that department

"to take this matter out of the hands of the court as requested by Mr. Oakes." Mr. Lash, Deputy Minister of Justice, cautiously replies as follows, after a recital of facts: "I see no legal objection to the department undertaking to settle the matter."

Having obtained the opinion of Mr. Lash on December 26th that he could legally withdraw the case from Court, Dr. Tupper proceeded in hot haste to do so, and on January 9th, 1879, an Order-in-Council was passed taking the case out of the hands of the Judges of the Court, and giving the whole case into the hands of one Arbitrator, with an intimation that "Her Majesty abandons all claims to penalties."

Although *prima facie* the contractor had been overpaid at least \$12,315, and

would be accepted, but requiring them to make the deposit of 5 per cent. on the amount of tender (\$3,915,942) on "Saturday next," that is on March 1st, or three days from the notification. The firm on the same day applied for an extension of "two or three days," but this was refused by the Minister. It may be noticed that one week was given to Marks & Co. to deposit the money security for Section A, while the other firm, whom it would appear was resolved to rule out, only got three days.

On the appointed day, March 1st, Andrews & Co. had deposited \$48,950, and on the 3rd of March another sum of \$48,950 was deposited. There was, therefore, no reasonable doubt that, after such a large amount was deposited on March 1st, the whole sum would be made good. The second deposit on the 3rd of a similar amount made it still more certain. Yet the Minister of Public Works on the 5th of March recommended to council the acceptance of the tender of Fraser, Grant and Pitblado for \$4,180,707 instead of Andrews, Jones & Co. for \$3,915,942 and the contract was accordingly awarded to this favorite set of contractors, causing a direct loss on the difference of tenders of \$214,765.

This sum, large as it is, does not represent all the loss. Andrews, Jones & Co.'s tender has for column 2, in other words to complete the work in 1882, while Fraser & Co.'s tender was to complete it in 1883.

A year less to work in necessarily cost much more to push the work. The tenders put in averaged a sum of \$387,252 more to complete in the short term. This sum has therefore to be added to the actual difference of \$214,765, making the actual loss \$602,017. If, however, the average of the five tenders presenting the least difference between the two periods for finishing the works be taken, we find that difference to be \$183,932, making a total of \$408,697.

The obstinate, senseless, refusal of the Minister to allow Andrews, Jones & Co. the same time given to Marks & Co. for making the money security deposit, therefore, beyond all doubt, caused this enormous loss to the country.

It was not to be wondered at that some of these contractors, so favored at the expense of the country, should have been able to sell out their interest for a sum of \$50,000.

PORT MOODY SECTION CONTRACT A \$209,255 SWINDLE.

Sir Charles Tupper continues to be true to his record, and the country need expect neither honesty nor honor in his management of the great Department over which he presides. His reputation for trickery, jobbery and mendacity is well established. His last breach of public trust in the matter of letting the contract for the construction of the Port Moody and Emory Bar section of the Canada Pacific Railway is one of the most barefaced and outrageous in the entire list of his failures to do justly and act uprightly.

By the contract with the Canada Pacific Railway Syndicate the Government were under no necessity to put the Port Moody section of the road under contract at present, as they were not required to complete it and hand it over to the Syndicate till May, 1891, and four years would be ample time for its construction. The fact that Sir Charles Tupper saw fit to advertise for tenders and let the contract five years in advance of the necessary time and upon the eve of a general election was of itself sufficient to excite suspicion. The palpable favoritism and disregard of public interests shown in letting the contract are painfully suggestive of personal gain to a Minister wholly regardless of the interests of the taxpayer, or of heavy contributions to election funds by a favored contractor after the manner of 1872.

000; 703 miles railway built; and handed over to the Syndicate, composed of following sections: Pembina Branch, 85 miles, cost \$1,556,900; Thunder Bay Division, Fort William to Selkirk, 406 miles, cost \$14,670,000; Kamloops to Emory Bar, 127 miles, cost \$8,431,800; Emory Bar to Port Moody, 85 miles, cost \$2,486,255; allowance for miscellaneous payments and engineering work (see return No. 23, Sessional Papers, vol. 14, 1880-81, \$902,000;—total (c)..... 32,165,975

(d) Exemption from duty on rails, cars, engines, lumber, wire and all material (estimated)..... 5,000,000

(e) Exemption from tax on land grant for 20 years (estimated), \$5,000,000; and on road and capital forever (estimate capitalized), \$7,250,000..... 12,250,000

Total.....\$149,415,975

(f) Transportation monopoly of the North West for 20 years (see Contract, section 15), value unknown, but greater than the cash bonus at least.

4th. For this vast amount of Government aid, amounting, without any reference to the three last mentioned forms of subsidy, to \$132,165,975, the Syndicate are to build 2,000 miles of railway, which is estimated by Sandford Fleming, Government Engineer, to cost \$48,500,000 (see Sessional Papers 1880, No. 133, p. 355), and which will be their own property; in other words, the Government gives the Syndicate the money and land to pay for building 2,000 miles of road for itself, and then presents it with land and completed railway worth \$83,665,000 more, freedom from duty on all material forever, freedom from taxation on lands and capital, and a transportation monopoly to enable the Company to exact unjust charges from the settlers of the North West for the next 20 years.

5th. When an offer was subsequently received to build the road for \$3,000,000 less bonus, for 3,000,000 acres less land grant and other important concessions worth many millions to the country, the Government party refused to entertain it, although the second Syndicate possessed more financial weight than the first Syndicate, and put up \$396,000 more than the sum of \$1,000,000 required by the Act as security. In justification of this betrayal of the public by refusing a better offer the absurd allegation was made that the offer was a bogus one.

6th. The inference may fairly be drawn that, if an offer so much better than the terms accorded to the Syndicate was voluntarily made, that still better offers could have been secured had the law been complied with and tenders advertised for.

7th. The offer of the second Syndicate, which was bona fide, was backed by an actual cash deposit of \$1,396,000, and would have been carried out if accepted. Viewed upon the basis of cost and advantage to the country, it was better than the offer of the present Syndicate in the following particulars and amounts:

(a) Less cash..... \$3,000,000

(b) Less land 3,000,000 acres, worth, at \$3 per acre..... 9,000,000

(c) No exemption from duty on material for all time to come..... 3,000,000

Government land in the Railway belt from homestead settlement and pre-emption entries. This is done to enable the Syndicate more readily and rapidly to sell their own lands.

It will thus be seen that this huge American corporation which has received money and aid in various forms from the Government as the agent of the people of Canada, to an extent from two to three times greater than the entire amount it will expend for its own benefit, possesses already a power that enables it to make use of the Government as its tool, and through the implicit obedience of this tool is able with a cool contempt and disregard of popular rights to set aside the acts of legislatures, to defy the wishes of the people of Provinces, and within an extensive region of country to deprive the settler of the right to homestead which the law of Canada gives to him.

Public Works Maladministration —The Murray-Oakes Case—The Government takes a Case out of Court for obvious reasons.

In order to afford the Government and the public purse protection against scheming contractors, the Mackenzie Administration provided that a deposit of money should accompany the lodgment of tenders for public works, and that in addition to personal sureties a deposit of cash should be lodged with the Government for the due fulfillment of the contract. In addition to this the Petition of Right Act was passed by which a contractor who considered himself aggrieved could bring his case before the Exchequer Court in order to establish his claims, thus securing at once justice to contractors and protection to the country against unjust settlements by arbitrators or secured by influences to which a minister might be subjected.

The provisions of this last Act proved most useful in 1877 and 1878 in respect to some contractors' claims on the Intercolonial Railway. One heavy case, that of Boggs & Murray contractors on this railway, section 19, was in progress when the change of government took place. These contractors had a contract assigned them for the construction of a section of the railway including the bridge over the Restigouche river for \$395,733. The Bridge building was subsequently taken out of this contract on an arranged sum of \$116,000 thus leaving the net amount of the contract \$279,734. The contractors made a claim for \$490,007, and engaged the Hon. John O'Connor, present Postmaster-General, and G. J. O'Doherty as their counsel. Mr. Schrieber, Chief Engineer of the Intercolonial reported that \$293,344.80 had been paid the contractors—that extra work had been done to the extent of \$7,682.00 had been done and that work which was embraced in the original contract had been undone or dispensed with to the amount of \$7,385.69. The account, therefore, stood according to Mr. Schrieber and Mr. Brydges:

To amount of original contract.....	\$395,733 00
To amount of extra work.....	7,682 00
	\$403,415 00
Less bridge contract as above.....	\$116,000 00
Less paid on contract.....	293,344 80
Less work not done as above.....	6,385 40
	\$115,730 20
Amount overpaid when action was brought.....	\$12,315 20
Mr. Brydges' further claims for work undone additional.....	2,440 50

possibly \$65,755.70. Dr. Tupper on January 28th actually advanced to Mr. John Murray \$650, "the same to be deducted from the amount to be awarded him by the Referee."

This action shows conclusively that Dr. Tupper, as Minister of Public Works, had prejudged the case, and was violating his oath of office by deliberately paying the public money to partisan contractors where he knew such contractors were indebted to the Government.

The Referee, being thus informed of the obvious intentions of Dr. Tupper, proceeded in the most remarkable manner to his work. He first called the contractors' engineer, but never summoned Mr. Sandford Fleming, Mr. Brydges, Mr. Schrieber or the late Minister of Public Works, Mr. Mackenzie, or his Deputy. With such evidence in a few days he reached the conclusion that, instead of the contractor owing the Government, the Government owed the contractor \$79,900 and interest, and also \$877.00 to pay his expenses.

The actual amount paid was \$101,047, where there was every reason to believe the contractors were overpaid before the action was commenced. To accomplish this it was necessary to get the case out of the hands of the Court and commit it to such an Arbitrator as Mr. Samuel Keefer, who avoided all the material evidence that could be produced, and pressed the case to a conclusion on one-sided evidence.

SECTION A & B SCANDAL.

A very grave case of manipulating tenders in connection with the money deposit security, to suit the Minister and favor certain contractors is to be found in the letting of contracts between English River and Keewatin.

This part of the Railway was let in three sections:

Section A, extending from English River to Eagle River.....	118 miles.
Section B, extending from Eagle River to Keewatin.....	67 miles.
Section C, embracing both in one contract.....	185 miles.
Parties tendering were required to fill in two columns. The 1st column to finish work in July, 1883. The 2nd column to finish work in July, 1882.	
The lowest tender for the entire work was from Morse & Co., as per column 1st.....	\$5,699,707
Morse & Co., as per column 2nd.....	5,987,732
The second was from Andrews, Jones and Company for the whole work, as per column 2nd.....	6,062,559
These tenders appear to have been all passed over without any reason, and the following were accepted:—	
Morse & Co., Section A, for the sum of.....	\$2,203,896
Fraser, Grant & Pitblado, Section B, for the sum of.....	4,130,707
	\$6,334,603
Morse & Co.'s lowest tender being as above.....	5,699,707
Amount lost by not accepting lowest tender.....	\$ 634,896
Amount lost by not accepting Morse & Co.'s tender per column 2nd.....	\$ 396,871

Assuming there was some objection to Morse & Co.'s tenders, there remains Andrews, Jones & Co.'s, whose tender was as above, \$6,062,559. Amount lost by not accepting Andrews, Jones & Co.'s tender was \$272,044. Morse & Co. tendered also for Section B for the sum of \$3,364,336, but were induced by representations from the Department of Public Works to withdraw this offer.

The facts connected with the letting of this contract are briefly as follows:

1. Advertisements were issued on the 24th of October last calling for tender for the construction of the Port Moody and Emory Bar section. Fourteen tenders were received which were opened February 1st by Messrs. Trudeau, Braun and Schrieber.

2. The tender of McDonald & Charlebois, of Montreal, was the lowest, being for \$2,277,000. The next lowest tender was that of Andrew Onderdonk, of California, which was for \$2,481,255. The tender of McDonald & Charlebois was accompanied by a deposit cheque of \$20,000 as a guarantee of good faith. This cheque was dated January 28rd, 1882, and was stamped by the bank on the 24th "good for two days only."

3. On Saturday, February 4th, 1882 Sir Charles Tupper instructed Mr. A. I. Bradley, his Private Secretary, to call at the Bank of Montreal, in Ottawa, and ask Mr. Drummond, the manager, if he would pay the cheque of McDonald & Charlebois. Mr. Bradley called on Monday, February the 6th, and was told that it would be necessary to enquire at the head office in Montreal. The Ottawa manager, enquired by telephone of the head manager at Montreal on the same day, February 6, at one p.m. handed the following telegram to A. I. Bradley, Private Secretary to Sir Charles Tupper.

(Telegram) MONTREAL, 6th Feb., 1882
To the Bank of Montreal (Ottawa)

Banker requisite to-day. Please stril out "for two days only" from our acceptance stamp. The cheque will be good until paid.

SHADBOLT (Manager.)

With this telegram was the following endorsement:

Handed to me by Mr. Drummond in office about 1 p.m., 6th February.

A. P. BRADLEY.

4. On the same day, February 6th, M. Schrieber reported to Mr. Braun, Secretary of the Department of Railways and Canals that the tender of McDonald & Charlebois, though lowest, was irregular for the reason that the cheque for \$20,000 was marked good for two days only, and he recommended the acceptance of the tender of A. Onderdonk.

5. On February 7th, one day after his Private Secretary had ascertained that McDonald & Charlebois' cheque was good Sir Charles Tupper drew up a memorandum setting forth that the tender of Andrew Onderdonk was the lowest conformity with the conditions, and that same day Mr. Onderdonk was informed by the Secretary of the Department of Railways that his tender was accepted.

6. On February 8th, Sir Charles Tupper's memorandum was endorsed by the report of a Committee of Council.

7. On February 10th, McDonald & Charlebois telegraphed Sir Charles Tupper as follows:

10th February, 1881.

To Sir Charles Tupper.

This morning's Gazette says that we were the lowest tender for Port Moody section as we failed to make the deposit the contract was awarded to Onderdonk. This is incorrect we are only waiting notice from the Department to complete deposit. Waiting answer.
McDONALD & CHARLEBOIS.

(Telegram same date.)
To F. Braun.

Any decision on B. C. tender; await notice to make deposit. Answer.
McDONALD & CHARLEBOIS.

To these telegrams Mr. Braun returned the following reply:

Ottawa, 10th February, 1882

McDonald & Charlebois (Montreal.)

555), and which will be their own property; in other words, the Government gives the Syndicate the money and land to pay for building 2,000 miles of road for itself, and then presents it with land and completed railway worth \$83,665,000 more, freedom from duty on all material forever, freedom from taxation on lands and capital, and a transportation monopoly to enable the Company to exact unjust charges from the settlers of the North West for the next 20 years.

5th. When an offer was subsequently received to build the road for \$3,000,000 less bonus, for 3,000,000 acres less land grant and other important concessions worth many millions to the country, the Government party refused to entertain it, although the second Syndicate possessed more financial weight than the first Syndicate, and put up \$396,000 more than the sum of \$1,000,000 required by the Act as security. In justification of this betrayal of the public by refusing a better offer the absurd allegation was made that the offer was a bogus one.

6th. The inference may fairly be drawn that, if an offer so much better than the terms accorded to the Syndicate was voluntarily made, that still better offers could have been secured had the law been complied with and tenders advertised for.

7th. The offer of the second Syndicate, which was bona fide, was backed by an actual cash deposit of \$1,396,000, and would have been carried out if accepted. Viewed upon the basis of cost and advantage to the country, it was better than the offer of the present Syndicate in the following particulars and amounts:

(a) Less cash \$3,000,000
(b) Less land 3,000,000 acres, worth, at \$3 per acre 9,000,000
(c) No exemption from duty on material for all time to come 5,000,000
(d) No exemption from taxation on land, road or capital 12,250,000

Direct cash advantage \$29,250,000

(e) No transportation monopoly, an advantage to the North West of untold value.
(f) Canadian control secured.
(g) Right of the Government to purchase at any time on fair terms.

8th. The stupendous character of the advantages secured by the Syndicate are only beginning to be understood. It is building its road through the prairie section so far mainly with the proceeds of sales of town lots. Its land grant, selected in the fertile belt, is of as great value as the entire grant contemplated by either the Allan Contract or the Railway Act of 1874, located, as those grants would have been, in a large degree, in British Columbia and east of the Red River, where the lands are worthless. Its grants from the Government in the various forms above named will prove to be at least three times as great in value as the cost of the road it is to build. It will, by the use of the people's money, blindly bestowed upon it by an infatuated Government, become a railway monopoly controlling almost the entire railway system of the Dominion, and with powers so vast as to endanger the institutions of the country; and it is, an American corporation, with its headquarters at St. Paul, and prosecuting its operations with the aid of an American Superintendent, American engineers and American contractors.

9th. The Government of the day, having given to the Syndicate the enormous grants and advantages above enumerated, at the expense, and to the lasting injury, of the people of Canada, now clearly manifest a purpose, where the

and protection to the country against unjust settlements by arbitrators or secured by influences to which a minister might be subjected.

The provisions of this last Act proved most useful in 1877 and 1878 in respect to some contractors' claims on the Intercolonial Railway. One heavy case, that of Boggs & Murray contractors on this railway, section 19, was in progress when the change of government took place. These contractors had a contract assigned them for the construction of a section of the railway including the bridge over the Restigouche river for \$395,733. The Bridge building was subsequently taken out of this contract on an arranged sum of \$116,000 thus leaving the net amount of the contract \$279,734. The contractors made a claim for \$190,007, and engaged the Hon. John O'Connor, present Postmaster-General, and G. J. O'Doherty as their counsel. Mr. Schrieber, Chief Engineer of the Intercolonial reported that \$293,344.80 had been paid the contractors—that extra work had been done to the extent of \$7,682.00 had been done and that work which was embraced in the original contract had been undone or dispensed with to the amount of \$7,385.60. The account, therefore, stood according to Mr. Schrieber and Mr. Brydges:

To amount of original contract	\$395,733 00
To amount of extra work	7,682 00
	<hr/> \$403,415 00
Less bridge contract as above.....	\$116,000 00
Less paid on contract	293,944 80
Less work not done as above.....	6,385 40
	<hr/> \$415,730 20
Amount overpaid when action was brought	\$12,315 20
Mr. Brydges' further claims for work undone additional	2,440 50
	<hr/> Total amount overpaid to contractors
	\$14,755 70
The Attorney-General in his reply for defence alleged that the said contract sum of \$279,733 was to be further diminished by \$51,000 paid on same section to Tuck, the first contractor. No judgment was obtained on this point by reason of the action of the Government in taking the case out of Court. If, however, this claim was right, it would have the effect of adding to the overpayment	51,000 00
	<hr/> Making it in all
	\$65,755 70

Added to this there was a penalty of \$2,000 a week for each and every week during which the contract remained unfinished after July 1st, 1872, or about \$80,000 in all. On this point, also, no judgment was obtained, by reason of the action of the Government in taking the case out of Court.

The original contract was signed on June 15th, 1870. The suit was commenced on January 26th, 1876, by the filing of the petition. The fiat of His Excellency was issued or endorsed on the petition on May 19th, 1876.

Judge Fournier delivered an interlocutory judgment on the 22nd day of June, 1878, which only decided, as the Deputy Minister of Justice put it in his report:

"That changes had taken place in the grade and lines of location, which entitled the contractor to a decision by the commissioners (or the ministers) as to whether such changes subjected the contractor to a deduction for diminution of work or entitled him to an allowance for increased work."

River and Keewatin.

This part of the Railway was let in three sections:

Section A, extending from English River to Eagle River 118 miles.
Section B, extending from Eagle River to Keewatin 67 miles.
Section C, embracing both in one contract..... 185 miles.
Parties tendering were required to fill in two columns. The 1st column to finish work in July, 1883. The 2nd column to finish work in July, 1882.
The lowest tender for the entire work was from Morse & Co., as per column 1st \$5,699,707
Morse & Co., as per column 2nd 5,987,732
The second was from Andrews, Jones and Company for the whole work, as per column 2nd 6,062,559
These tenders appear to have been all passed over without any reason, and the following were accepted:—
Marks & Co., Section A, for the sum of \$2,203,896
Fraser, Grant & Pitblado, Section B, for the sum of 4,130,707
Morse & Co.'s lowest tender being as above..... 5,699,707

Amount lost by not accepting lowest tender \$ 634,896
Amount lost by not accepting Morse & Co.'s tender per column 2nd..... \$ 396,871

Assuming there was some objection to Morse & Co.'s tenders, there remains Andrews, Jones & Co.'s, whose tender was as above, \$6,062,559. Amount lost by not accepting Andrews, Jones & Co.'s tender was \$272,044. Morse & Co. tendered also for Section B for the sum of \$3,364,336, but were induced by representations from the Department of Public Works to withdraw this offer.

Upon the withdrawal of Morse & Co.'s tender for Section B, Andrews, Jones & Co.'s tender became the lowest. On the 26th of February, 1879, the Hon. C. Tupper notified the firm that their tender would be accepted, but requiring them to make the deposit of 5 per cent. on the amount of tender (\$3,915,942) on "Saturday next," that is on March 1st, or three days from the notification. The firm on the same day applied for an extension of "two or three days," but this was refused by the Minister. It may be noticed that one week was given to Marks & Co. to deposit the money security for Section A, while the other firm, whom it would appear was resolved to rule out, only got three days.

On the appointed day, March 1st, Andrews & Co. had deposited \$48,950, and on the 3rd of March another sum of \$48,950 was deposited. There was, therefore no reasonable doubt that, after such a large amount was deposited on March 1st, the whole sum would be made good. The second deposit on the 3rd of a similar amount made it still more certain. Yet the Minister of Public Works on the 5th of March recommended to council the acceptance of the tender of Fraser, Grant and Pitblado for \$4,180,707 instead of Andrews, Jones & Co. for \$3,915,942, and the contract was accordingly awarded to this favorite set of contractors, causing a direct loss on the difference of tenders of \$214,765.

This sum, large as it is, does not represent all the loss. Andrews, Jones & Co.'s tender for column 2, in other words to complete the work in 1882, while Fraser & Co.'s tender was to complete it in 1889.

A year less to work in necessarily cost much more to push the work. The ten tenders put in averaged a sum of \$387,252 more to complete in the short term. This sum has therefore to be added to the actual difference of \$214,765, making the

with this telegram was the following endorsement:

Handed to me by Mr. Drummond in my office about 1 p. m., 6th February.

A. P. BRADLEY.

1. On the same day, February 6th, Mr. Schrieber reported to Mr. Braun, Secretary of the Department of Railways and Canals that the tender of McDonald & Charlebois, though lowest, was irregular for the reason that the cheque for \$20,000 was marked good for two days only, and he recommended the acceptance of the tender of A. Onderdonk.

5. On February 7th, one day after his Private Secretary had ascertained that McDonald & Charlebois' cheque was good, Sir Charles Tupper drew up a memorandum setting forth that the tender of Andrew Onderdonk was the lowest in conformity with the conditions, and the same day Mr. Onderdonk was informed by the Secretary of the Department of Railways that his tender was accepted.

6. On February 8th, Sir Charles Tupper's memorandum was endorsed by the report of a Committee of Council.

7. On February 10th, McDonald & Charlebois telegraphed Sir Charles Tupper as follows:

10th February, 1881.

To Sir Charles Tupper.

This morning's Gazette says that we were the lowest tender for Port Moody section and as we failed to make the deposit the contract was awarded to Onderdonk. This is incorrect; we are only waiting notice from the Department to complete deposit. Waiting answer.

McDONALD & CHARLEBOIS.

(Telegram same date.)

To F. Braun.

Any decision on B. C. tender; awaiting notice to make deposit. Answer.

McDONALD & CHARLEBOIS.

To these telegrams Mr. Braun returned the following reply:

Ottawa, 10th February, 1882.

McDonald & Charlebois (Montreal.)

Contract was awarded to Onderdonk whose tender was lowest, as yours could not be considered for want of cheque marked good as required by specification.

F. BRAUN, Secretary.

8. On February 14th McDonald & Charlebois petitioned the Governor in Council setting forth that their tender was regular, that it was \$209,255 lower than any other, that the cheque for \$20,000 was still good and was known by the Department to be good before the contract was awarded to Onderdonk, and declaring that they were ready to put up the deposit and execute the contract, and praying that it might be awarded them.

9. On February 20th Sir Charles Tupper reported the petition of McDonald & Charlebois to the Council, recommending that it be not entertained, and on the following day this recommendation was adopted by Minute of Council.

10. The draft form of contract with Onderdonk was submitted to the Deputy Minister of Justice for examination on February 20th and was reported correct in form.

From this narrative of facts the following points may be gathered:

The tender of McDonald & Charlebois was \$209,255 lower than any other.

The deposit of \$20,000 required with each tender was deposited by them in the form of a certified cheque in the Bank of Montreal.

This cheque was inadvertently stamped by the bank good for two days only which inadvertence was not the fault of McDonald & Charlebois, and was corrected by the bank before the Department required the money as a deposit.

That on the 6th of February and before the contract was awarded, Sir Charles Tupper sent his Private Secretary to Mr. Drummond, the manager of the branch at Ottawa and ascertained by telegram from Mr. Shadbolt, the Manager of the Bank

an advantage to the North West of untold value.

- (f) Canadian control secured.
- (g) Right of the Government to purchase at any time on fair terms.

8th. The stupendous character of the advantages secured by the Syndicate are only beginning to be understood. It is building its road through the prairie section so far mainly with the proceeds of sales of town lots. Its land grant, selected in the fertile belt, is of as great value as the entire grant contemplated by either the Allan Contract or the Railway Act of 1874, located, as those grants would have been, in a large degree, in British Columbia and east of the Red River, where the lands are worthless. Its grants from the Government in the various forms above named will prove to be at least three times as great in value as the cost of the road it is to build. It will, by the use of the people's money, blindly bestowed upon it by an infatuated Government, become a railway monopoly controlling almost the entire railway system of the Dominion, and with powers so vast as to endanger the institutions of the country; and it is an American corporation, with its headquarters at St. Paul, and prosecuting its operations with the aid of an American Superintendent, American engineers and American contractors.

9th. The Government of the day, having given to the Syndicate the enormous grants and advantages above enumerated, at the expense, and to the lasting injury, of the people of Canada, now clearly manifest a purpose, where the interests of the Syndicate and the interests and the interests of the people of the North West and of Canada clash, to aid the Syndicate in every possible manner. The people of Manitoba, disliking the prospect of having the trade of their Province and the country to the west of it made tributary to the irresponsible and and extortionate exactions of one great corporation, sought relief from this bondage and access to a competing route by means of the Manitoba and South Eastern Railway, which would have crossed the boundary line at Emerson, and formed a connection with an air line to Duluth. By means of this proposed line a second railway outlet for the North West would have been secured; competition for the business of the country established, to the great advantage of its farmers and business men, and the grinding monopoly of the Syndicate effectually broken. The charter for the road was duly granted by the Manitoba Legislature, and a remedy for the great outrage perpetrated by the monopoly clause of the Syndicate contract seemed about to be applied. But the Syndicate speedily proved that their power exceeds that of the Legislature of Manitoba, for at their command the Government at Ottawa disallowed the charter, and thereby denied to the people of Manitoba and the entire North West all right to secure increased railway facilities and relief from unjust charges. To those who understand the great advantage resulting to a country from competition of rival railway lines the extreme injustice of the Government to the people of the North West in the matter of the disallowance of the South Eastern charter will be sufficiently apparent without comment.

During the present session of Parliament a charter has been refused by the Government to a projected road from Thunder Bay to Duluth on the express ground that it would be a competing line with the Canada Pacific, thus again proving that the Government of Canada is the tool of the Syndicate and not the guardian and upholder of popular rights and the people's interests.

Quite recently the Minister of the Interior has issued an order withholding

of \$219,433 was to be further diminished by \$51,000 paid on same section to Tuck, the first contractor. No judgment was obtained on this point by reason of the action of the Government in taking the case out of Court. If, however, this claim was right, it would have the effect of adding to the overpayment 51,000 00

Making it in all \$65,755 70

Added to this there was a penalty of \$2,000 a week for each and every week during which the contract remained unfinished after July 1st, 1872, or about \$80,000 in all. On this point, also, no judgment was obtained, by reason of the action of the Government in taking the case out of Court.

The original contract was signed on June 15th, 1870. The suit was commenced on January 26th, 1876, by the filing of the petition. The fiat of His Excellency was issued or endorsed on the petition on May 19th, 1876.

Judge Fournier delivered an interlocutory judgment on the 22nd day of June, 1878, which only decided, as the Deputy Minister of Justice put it in his report:

"That changes had taken place in the 'grade and lines of location, which entitled the contractor to a decision by the commissioners (or the ministers) as to whether such changes subjected the contractor to a deduction for diminution of work or entitled him to an allowance for increased work."

The judge himself says: "As the judgment I am about to deliver is an interlocutory judgment, I will only refer to such proceedings, and to such facts of the case as are in my opinion necessary to support the conclusion I have thought proper to arrive at. * * * I consider it my duty, reserving to myself the right of adjudging afterwards on the merits of the case, to order that this case be referred to the Registrar of the Court to obtain such legal evidence as can be adduced by the parties, for the purpose of getting the number and quantity of alterations of the location and of the grade which either increased or diminished * * * the work under contract, and of ascertaining the value of such increase or diminution, and the balance which may be due to either party after these operations."

"This judgment, then, was wholly for the purpose of obtaining facts for a judgment on the merits of the case."

The next appearance is that of Mr. Oakes, for the contractors, asking the government to withdraw the case from court and settle it in the old fashion. On December 19th, 1878, a few weeks after Dr. Tupper was sworn in as Minister of Public Works, he directed the secretary of the Public Works Department to ask the Deputy Minister of Justice, if it would be competent for that department "to take this matter out of the hands of the court as requested by Mr. Oakes." Mr. Lash, Deputy Minister of Justice, cautiously replies as follows, after a recital of facts: "I see no legal objection to the department undertaking to settle the matter."

Having obtained the opinion of Mr. Lash on December 26th that he could legally withdraw the case from Court, Dr. Tupper proceeded in hot haste to do so, and on January 9th, 1879, an Order-in-Council was passed taking the case out of the hands of the Judges of the Court, and giving the whole case into the hands of one Arbitrator, with an intimation that "Her Majesty abandons all claims to penalties."

Although *prima facie* the contractor had been overpaid at least \$12,315, and

would be accepted, but requiring them to make the deposit of 5 per cent. on the amount of tender (\$3,915,942) on "Saturday next," that is on March 1st, or three days from the notification. The firm on the same day applied for an extension of "two or three days," but this was refused by the Minister. It may be noticed that one week was given to Marks & Co. to deposit the money security for Section A, while the other firm, whom it would appear it was resolved to rule out, only got three days.

On the appointed day, March 1st, Andrews & Co. had deposited \$48,950, and on the 3rd of March another sum of \$48,950 was deposited. There was, therefore no reasonable doubt that, after such a large amount was deposited on March 1st, the whole sum would be made good. The second deposit on the 3rd of a similar amount made it still more certain. Yet the Minister of Public Works on the 5th of March recommended to council the acceptance of the tender of Fraser, Grant and Pitblado for \$4,130,707 instead of Andrews, Jones & Co. for \$3,915,942, and the contract was accordingly awarded to this favorite set of contractors, causing a direct loss on the difference of tenders of \$214,765.

This sum, large as it is, does not represent all the loss. Andrews, Jones & Co.'s tender has for column 2, in other words to complete the work in 1882, while Fraser & Co.'s tender was to complete it in 1888.

A year less to work in necessarily cost much more to push the work. The ten tenders put in averaged a sum of \$387,252 more to complete in the short term. This sum has therefore to be added to the actual difference of \$214,765, making the actual loss \$602,017. If, however, the average of the five tenders presenting the least difference between the two periods for finishing the works be taken, we find that difference to be \$183,932, making a total of \$408,697.

The obstinate, senseless, refusal of the Minister to allow Andrews, Jones & Co. the same time given to Marks & Co. for making the money security deposit, therefore, beyond all doubt, caused this enormous loss to the country.

It was not to be wondered at that some of these contractors, so favored at the expense of the country, should have been able to sell out their interest for a sum of \$50,000.

PORT MOODY SECTION CONTRACT A \$209,255 SWINDLE.

Sir Charles Tupper continues to be true to his record, and the country need expect neither honesty nor honor in his management of the great Department over which he presides. His reputation for trickery, jobbery and mendacity is well established. His last breach of public trust in the matter of letting the contract for the construction of the Port Moody and Emory Bar section of the Canada Pacific Railway is one of the most barefaced and outrageous in the entire list of his failures to do justly and act uprightly.

By the contract with the Canada Pacific Railway Syndicate the Government were under no necessity to put the Port Moody section of the road under contract at present, as they were not required to complete it and hand it over to the Syndicate till May, 1891, and four years would be ample time for its construction. The fact that Sir Charles Tupper saw fit to advertise tenders and let the contract five years in advance of the necessary time and upon the eve of a general election was of itself sufficient to excite suspicion. The palpable favoritism and disregard of public interest shown in letting the contract are painfully suggestive of personal gain to a Minister wholly regardless of the interests of the taxpayer, or of heavy contributions to election funds by a favored contractor after the manner of 1872.

Charlebois petitioned the Governor in Council setting forth that their tender was regular, that it was \$209,255 lower than any other, that the cheque for \$20,000 was still good and was known by the Department to be good before the contract was awarded to Onderdonk, and declaring that they were ready to put up the deposit and execute the contract, and praying that it might be awarded them.

9. On February 20th, Sir Charles Tupper reported the petition of McDonald & Charlebois to the Council, recommending that it be not entertained, and on the following day this recommendation was adopted by Minute of Council.

10. The draft form of contract with Onderdonk was submitted to the Deputy Minister of Justice for examination on February 20th and was reported correct in form.

From this narrative of facts the following points may be gathered:

The tender of McDonald & Charlebois was \$209,255 lower than any other.

The deposit of \$20,000 required with each tender was deposited by them in the form of a certified cheque in the Bank of Montreal.

This cheque was inadvertently stamped by the bank good for two days only which inadvertence was not the fault of McDonald & Charlebois, and was corrected by the bank before the Department required the money as a deposit.

That on the 6th of February and before the contract was awarded, Sir Charles Tupper sent his Private Secretary to Mr. Drummond, the manager of the branch at Ottawa and ascertained by telegram from Mr. Shadbolt, the Manager of the Bank at Montreal, that the cheque was good and would be good till paid.

That on the 7th of February, one day after he had been made aware that the deposit of McDonald & Charlebois was good, he passed over their tender and awarded the contract to Onderdonk.

That McDonald & Charlebois, on the 10th of February declared their readiness to put up the five per cent. deposit, and demanded the contract.

That on February 14th McDonald & Charlebois petitioned the Governor-in-Council setting forth all the above facts, and demanding the contract, which demand was denied.

That on February 20th, fourteen days after Sir Charles Tupper knew that the deposit of McDonald & Charlebois was good, the contract with Onderdonk was yet unexecuted as the draft of the contract was that day sent to the Deputy Minister of Justice for approval.

That the tender of McDonald & Charlebois was not refused on the ground that their tender was too low, or that they were not able to do the work.

It may be asked, why Sir Charles Tupper should take the trouble to send to the bank to learn whether the cheque of McDonald & Charlebois was good; if the stamp good for two days inadvertently placed upon it, when certified by the bank rendered the tender informal and debarred him from considering it. The fact is he has taken advantage of a technicality to set aside the lowest offer when he knew the deposit was in his hand at the time the contract was awarded, and has given the contract to a friend at a loss to the people of \$209,255.

Curious tales of transactions, of which the Onderdonk contract is a type and specimen, are no doubt hidden away in the archives of his department. Perhaps the sunlight of impartial enquiry will some day be let in upon the records, and then it will be found that though not exactly pure without, it is full of rottenness within.

The responsibility for the betrayal of the public interest in the Onderdonk contract, was assumed by the Conservative majority in the House of Commons. On

bly \$65,755.70. Dr. Tupper on
ary 28th actually advanced to Mr.
Murray \$650, "the same to be
dual from the amount to be awarded
by the Referee."
his action shows conclusively that
Tupper, as Minister of Public Works,
prejudged the case, and was violating
ath of office by deliberately paying
public money to partizan contractors
e he knew such contractors were in-
ed to the Government.
e Referee, being thus informed of
obvious intentions of Dr. Tupper,
eeded in the most remarkable manner
is work. He first called the contrac-
engineer, but never summoned Mr.
lford Fleming, Mr. Brydges, Mr.
eiber or the late Minister of Public
ks, Mr. Mackenzie, or his Deputy.
h such evidence in a few days he
had the conclusion that, instead of
contractor owing the Government,
Government owed the contractor
900 and interest, and also \$877.00 to
his expenses.
he actual amount paid was \$101,047,
re there was every reason to believe
contractors were overpaid before
action was commenced. To ac-
plish this it was necessary to get the
out of the hands of the Court and
mit it to such an Arbitrator as Mr.
uel Keefer, who avoided all the
erial evidence that could be produced,
pressed the case to a conclusion on
-sided evidence.

SECTION A & B SCANDAL.

A very grave case of manipulating
ders in connection with the money
osit security, to suit the Minister and
or certain contractors is to be found in
letting of contracts between English
er and Keewatin.
This part of the Railway was let in
be sections:
tion A, extending from
English River to Eagle
River 118 miles.
tion B, extending from
Eagle River to Keewatin
tion C, embracing both in
ne contract..... 185 miles.
Parties tendering were required to fill
two columns. The 1st column to
sh work in July, 1883. The 2nd
umn to finish work in July, 1882.
lowest tender for the en-
ire work was from Morse
& Co., as per column 1st. \$5,699,707
rse & Co., as per column
2nd 5,987,732
second was from Andrews,
Jones and Company for the
whole work, as per column
2nd 6,062,559
These tenders appear to have been all
sed over without any reason, and the
owing were accepted:—
rks & Co., Section A, for
he sum of \$2,203,896
user, Grant & Pitblado,
Section B, for the sum of
\$6,334,603
rse & Co.'s lowest tender
eing as above..... 5,699,707
ount lost by not accepting
lowest tender \$ 634,896
ount lost by not accepting
Morse & Co.'s tender per
column 2nd..... \$ 396,871
Assuming there was some objection to
rse & Co.'s tenders, there remains
draws, Jones & Co.'s, whose tender
s as above, \$6,062,559. Amount lost
not accepting Andrews, Jones & Co.'s
der was \$272,044. Morse & Co. ten-
ed also for Section B for the sum of
364,336, but were induced by repre-
tations from the Department of Public
orks to withdraw this offer.

The facts connected with the letting of
this contract are briefly as follows:
1. Advertisements were issued on the
24th of October last calling for tenders
for the construction of the Port Moody
and Emory Bar section. Fourteen tenders
were received which were opened Febru-
ary 1st by Messrs. Trudeau, Braun and
Schreiber.
2. The tender of McDonald & Charle-
bois, of Montreal, was the lowest, being
for \$2,277,000. The next lowest tender
was that of Andrew Onderdonk, of Cali-
fornia, which was for \$2,481,255. The
tender of McDonald & Charlebois was
accompanied by a deposit cheque of \$20,-
000 as a guarantee of good faith. This
cheque was dated January 28rd, 1882, and
was stamped by the bank on the 24th,
"good for two days only."
3. On Saturday, February 4th, 1882,
Sir Charles Tupper instructed Mr. A. P.
Bradley, his Private Secretary, to call at
the Bank of Montreal, in Ottawa, and ask
Mr. Drummond, the manager, if he
would pay the cheque of McDonald &
Charlebois. Mr. Bradley called on
Monday, February the 6th, and was
told that it would be necessary to
enquire at the head office in Montreal.
The Ottawa manager enquired by tele-
graph of the head manager at Montreal and
on the same day, February 6, at one p.m.
handed the following telegram to A. P.
Bradley, Private Secretary to Sir Charles
Tupper.

(Telegram) MONTREAL, 6th Feb., 1882.
To the Bank of Montreal (Ottawa)
Banker requisite to-day. Please strike
out "for two days only" from our acceptance
stamp. The cheque will be good until paid.
SHADBOLT (Manager.)

With this telegram was the following en-
dorsement:

Handed to me by Mr. Drummond in my
office about 1 p. m., 6th February.
A. P. BRADLEY.

1. On the same day, February 6th, Mr.
Schreiber reported to Mr. Braun, Secre-
tary of the Department of Railways and
Canals that the tender of McDonald &
Charlebois, though lowest, was irregular
for the reason that the cheque for \$20,000
was marked good for two days only, and
he recommended the acceptance of the
tender of A. Onderdonk.

5. On February 7th, one day after his
Private Secretary had ascertained that
McDonald & Charlebois' cheque was good,
Sir Charles Tupper drew up a memoran-
dum setting forth that the tender of
Andrew Onderdonk was the lowest in
conformity with the conditions, and the
same day Mr. Onderdonk was informed
by the Secretary of the Department of
Railways that his tender was accepted.

6. On February 8th, Sir Charles Tup-
per's memorandum was endorsed by the
report of a Committee of Council.

7. On February 10th, McDonald &
Charlebois telegraphed Sir Charles Tupper
as follows:

10th February, 1881.
To Sir Charles Tupper.
This morning's Gazette says that we were
the lowest tender for Port Moody section and
as we failed to make the deposit the contract
was awarded to Onderdonk. This is incorrect;
we are only waiting notice from the Depart-
ment to complete deposit. Waiting answer.
McDONALD & CHARLEBOIS.

(Telegram same date.)
To F. Braun.
Any decision on B. C. tender; awaiting
notice to make deposit. Answer.
McDONALD & CHARLEBOIS.

To these telegrams Mr. Braun returned
the following reply:
Ottawa, 10th February, 1882.
McDonald & Charlebois (Montreal.)

the 28th March Mr. Mackenzie moved
that the contract with Andrew Onder-
donk be rejected, and that it be given, as
of right it should be given, to McDonald
& Charlebois, whose tender was the
lowest, Mr. Mackenzie's motion clearly
set forth all the facts above related. It
was rejected by a strict party vote of 128
for and 55 against.

The following protested against the
waste of \$209,000 of public funds:
Yeas.

- | | |
|--|--|
| Anglin,
Bain,
Bechard,
Blake,
Borden,
Bourassa,
Brown,
Burpee (St. John),
Burpee (Sunbury),
Cameron (Huron),
Cartwright,
Casey,
Casgrain,
Charlton,
Cockburn,
Coupal,
Dumont,
Fiset,
Fleming,
Flynn,
Geoffrion,
Gillies,
Gillmor,
Gunn,
Haddow,
Holton,
Huntington,
Irvine, | Killam,
King,
Laurier,
McDonald, (Victoria,
N.S.),
Macdonnell (Lanark),
Macdonnell (Inver-
ness),
Mackenzie,
McIsaac,
Malouin,
Olivier,
Paterson (Brant),
Pickard,
Rinfret,
Robertson (Shel'ne),
Rogers,
Ross (Middlesex),
Rymal,
Scrivner,
Skinner,
Smith,
Snowball,
Sutherland,
Teller,
Thompson,
Trow,
Weldon, and
Yeo.—55. |
|--|--|

The following agreed to the waste and
voted to whitewash Sir Charles Tupper:

- | | |
|--|---|
| Abbott,
Allison,
Amyot,
Arkell,
Bannerman,
Barnard,
Beaty,
Beauchesne,
Benoit,
Bergeron,
Bergin,
Bill,
Boldue,
Boulthbee,
Bourbeau,
Bowell,
Brcken,
Brooks,
Bunster,
Buntig,
Burnham,
Carling,
Caron,
Cimon (Charlevoix),
Cimon (Chicoutimi),
Colby,
Costigan,
Coughlin,
Coursol,
Currier,
Cuthbert,
Daly,
Daoust,
Dawson,
DeCosmos,
Desaulniers,
Desjardins,
Domville,
Drew,
Dugas,
Elliott,
Farrow,
Fortin,
Fulton,
Gault,
Gig-out,
Girouard | Nays.
Lane,
Langevin,
Lantier,
Longey,
Macdonald (Kings),
Macdonald, Sir John
McDonald (C. Bre'n)
Macmillan,
McCallum,
McCarthy,
McCuaig,
McDougald,
McDougall,
McGreevy,
McLelan,
McLellan,
McLeod,
McQuade,
McKory,
Manson,
Massue,
Merner,
Methot,
Mongenaïs,
Montplaisir,
Mousseau,
Muttart,
O'Connor,
Ogden,
Orton,
Ouimet,
Pinsonneault,
Patt,
Plumb,
Pope (Compton),
Poupore,
Reid,
Richer,
Robertson (Ham'lon)
Ro-s (Dundas),
Rouleau,
Royal,
Ryan (Marquette),
Ryan (Montreal),
Scott,
Shaw,
(Jacques)Sproule,
Cartier),
Stephenson,
Stranoe |
|--|---|

000 tons in 1881, or an increase of nearly
60 per cent., and when we consider that
the receipts have been nearly 80 per cent.
over those of 1878, and when we consider
that during the time of the late Govern-
ment the read was unfinished and incom-
plete, that it was laid with iron rails, and
equipped with insufficient rolling stock,
that it had to compete for two seasons
with the Gulf line of steamers from
Shediac to Gaspé—I say that when we
consider these facts, and that the earnings
at that time were \$83 per mile less than
the present Government, it speaks volumes
for the management of the late Govern-
ment, and shows how unfair the criticisms
are in which members supporting the
Government indulge throughout the
country regarding the management of the
Intercolonial Railway by the late Govern-
ment.

Case of G. A. Girouard, M.P.

The history of this case can be stated
in a few words. In the winter of 1871-2
one Girouard contracted with the Depart-
ment of Public Works for the delivery of
a certain number of sleepers or ties for the
Intercolonial Railway. His own
statement of the case (see Sessional paper
36 d, 1881) was:

"I was ordered to deliver them in
Bathurst where the railway station now
stands, and I did not raft them very sub-
stantially on that account. But after-
wards I was ordered to deliver them at
Little Rocher, and of course they had to
be taken by water. Then a storm occurred,
broke the rafts, and the sleepers were lost
in the Bay."

The number lost was 8,000, which, at
38 cents per tie amounted to \$2,640. For
this sum Mr. Girouard made sundry de-
mands upon the Government, but in vain.
In March, 1878, he visited Ottawa to
press his claim, and, as it seems by the
following letter, would have no difficulty
in getting it paid providing he could get the
approval of the officer in charge of the
ties. His letter is as follows:

OTTAWA, 30th March, 1878.

MY DEAR SIR,—I wish to inform you
that I am here since last Monday to try
to arrange with the Department of Public
Works certain claims I have in relation to
my sleeper contract for section 9, Inter-
colonial Railway. One claim I have
established is for a certain quantity of ties
which I lost in the Bay of Chaleurs, and
which you know yourself I have sustained
that great loss. If I had your certificate,
stating it was understood I would be paid
for them, I have no doubt but I would
succeed in getting something from the
Government. It would be merely an easy
thing for you to do, and it would be a
great help to me, as you know I lost so
much in those transactions, so I sincerely
hope you will be kind enough as to give
me a help. I have no hesitation that if
you consent to send me your certificate
there would be no trouble for me to be
paid. I often spoke to you about it, and,
if you recollect, you said I would be paid
for them. All that I want from you is
merely a written acknowledgment of your
having consented at the time that I was
entitled to be paid for them, that is, for
the loss of those sleepers in the bay, and
you can rest assured you will not be
troubled at all about it. The Minister
states that if I had some written agree-
ment or certificate from you, that I am
entitled to get a certain sum or be paid
for them.

The Department would pay without any
hesitation whatsoever; I have good in-
fluenced men working here for me.
Therefore I hope you will send me a letter
with certificate to that effect. I enclose
you a memorandum of my account made
against Department for those sleepers lost,
and you will see how much you will help
me. Please wire Monday morning if you
are mailing those documents, and on my

th. of February, 1879, the Hon. C. J. upper notified the firm that their tender could be accepted, but requiring them to make the deposit of 5 per cent. on the amount of tender (\$3,915,942) on "Saturday next," that is on March 1st, or three days from the notification. The firm on the same day applied for an extension of two or three days," but this was refused by the Minister. It may be noticed that a week was given to Marks & Co. to deposit the money security for Section A, like the other firm, whom it would appear was resolved to rule out, only got two days.

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F. BRAUN, Secretary.

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Tyrwhitt, Vallin, Vanasse, Wade, Wallace (Norfolk), Wallace (York), White (Cardwell), White (Hastings), White (Renfrew), Williams, and Wright.—128.

THE INTERCOLONIAL RAILWAY.

During the discussion on the Budget the Hon. Mr. Burpee made the following statements in regard to the Intercolonial Railway.

The number of miles in operation, receipts and working expenses of this Railway since 1874 are given below:

Miles in operation.	Receipts	Expenditures
1874.....377	\$ 893,430	\$1,025,831
1875.....422	861,543	850,775
1876.....512	846,861	877,485
1877.....720	1,154,447	1,461,273
1878.....720	1,378,946	1,611,278
1879.....720	1,294,009	1,875,000
1880.....840	1,506,298	1,603,439
1881.....846	1,760,393	1,759,822

I shall now take the mileage, as the hon. the Minister of Finance has done. From 1874 to 1878, the receipts per mile were \$1,186; from 1879 to 1881, \$1,190, or four dollars per mile in favor of the present Government. For five years, from 1874 to 1878, the expenditure per mile was \$2,051; from 1879 to 1881, the present Government have expended \$2,134, or a balance against the present Government of \$83 per mile, or on the whole a net balance in favor of the late Government of \$79 per mile. If any hon. member of the House chooses to go into these calculations, he will find, by the Public Account, that they are accurate. I might say, before going further, that in the comparisons I have made I have put the late Government on the same footing as the present Government. I have taken the amount for steel rails, \$700,000, voted by the late Government in 1876-77-78 out of the account as the present Government are doing, and charged it to capital account, and there are quite a number of smaller items in the Accounts which are now charged to capital account of the Intercolonial Railway, but were charged by the hon. member for Lambton (Mr. Mackenzie) to revenue. There was the large expenditure of widening the gauge from 3 ft. 6 in. to 4 ft. 8 1/2 in., which amounted to \$848,000, and my hon. friend the member for Lambton (Mr. Mackenzie), when he was in power, sought to close up the capital account of the Intercolonial and charge everything, as I have done, to revenue account, instead of doing, as the present Government are doing, charging a large number of items to capital. In 1879, there was charged to capital account, \$226,739; in 1880, \$548,000; in 1881, \$608,782, and in the Estimates for 1882, they took \$446,469 for capital account. This year \$326,369 more, making, for 1882, \$330,307. They ask for 1883, \$609,086, making altogether nearly \$3,000,000 in the 5 years, including estimates, that they have charged to capital account. These charges were for cars, rolling stock, wharves and piers and relaying the Riviere du Loup with steel rails. This capital expenditure is over and above the sum of \$1,500,000 to the Grand Trunk Railway for the Riviere du Loup branch. Then, Mr. Speaker, last year they asked \$1,600,000 for running expenses, and they have asked, in the Supplementary Estimates this year, \$800,000 more, making, in all, \$1,000,000 for running expenses. Now, I think, when we consider the increased trade of the country, the increased freight, which has grown, between 1878 and 1881, something like from 7,888,420 tons in 1878, to 12,102,

To this letter Mr. Stevenson replied as follows:

MONTREAL, 2nd April, 1873.

Letter of 13th received; cannot give certificate you ask for.

W. H. STEVENSON.

Subsequently the matter was referred to Mr. C. J. Brydges, Commissioner of the Intercolonial Railway, who reported that Mr. Giroud had no claim—that he was paid in full, and that he had signed a receipt to that effect. The following is a copy of receipt:

5th November, 1873.

Received from the Commissioners appointed to construct the Intercolonial Railway, per the hands of Mr. W. H. Stevenson, the sum of three thousand seven hundred and thirty-eight dollars and nine cents, payable in full for sleepers on sections 9 and 15.

(Signed) G. A. GIROUARD.

This report silenced him for a while, but being elected to the House of Commons in 1878, his position to demand was somewhat strengthened. Accordingly he writes under date of April 18th, 1879, to Sir Charles Tupper, asking for settlement, and says in his letter: "I need not tell you that I am in great need of that amount just at present."

Sir Charles Tupper submitted the claims to the officers of his department, and on the 10th June, 1879, Mr. Giroud was sent the following letter:

10th June, 1879.

SIR,—With reference to your letter of the 18th April last, transmitting memorial in relation to your claim in connection with contract for supply of sleepers for Sections 9 and 15, Intercolonial Railway, in the years 1871 and 1872, I am to state that after due consideration, the Minister of Railways and Canals finds your claims cannot be admitted.

I am, Sir, your obedient servant,

F. BRAUN, Secretary.

G. A. GIROUARD, ESQ., M.P.,
Buckinche, N.B.

Mr. Giroud still persisted in asking payment for his ties, and the matter was next submitted to the official, sworn arbitrator of the Government. He, after the fullest examination of witnesses and the most careful inquiry into the whole question, reported against his claim under date of November 3rd, 1879.

This decision did not suit Mr. Giroud, and so he made another demand for payment. This time the matter was referred to Mr. F. Shanly, Chief Engineer of the Intercolonial Railway, who reported favorably.

Sir JOHN MACDONALD in the absence of the Minister of Railways recommended to the Council the payment to Mr. Giroud of the sum of \$2,640.

Here then is a claim payment of which was refused (1) by the old government previous to their retirement from office in 1873:

(2) By Mr. W. H. Stevenson in charge of railway ties on sections 9 and 15, who could not fail to know all about the matter.

(3) By Mr. Brydges, Commissioner of the Intercolonial and the Mackenzie Government.

(4) By Sir Charles Tupper, Minister of Railways.

(5) By James Cowan, Official Arbitrator.

But at the instance of Mr. Shanly, whose regard for Mr. Giroud might possibly be increased by the consistent support which he gave his leader in Parliament, the claim is recognized and we had the somewhat suspicious circumstance appearing in the political history of this Parliament of a Prime Minister handing a cheque for \$2,640 to one of his supporters on the back benches for a claim five times reported against.